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8 February 1983

NEAR EAST/SOUTH ASIA REPORT

No. 2704

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EXPLANATION OF JAMAHIRIYAH POLITICAL SYSTEM GIVEN

London JAMAHIRIYA REVIEW in English No 31, Dec 82 p 14

[Article by Louis Eaks]

[Text]

TO MOST people in the West, and those in the Third World dependent on the Western controlled international news agencies, Libya must appear to be an ordinary, unexceptional, example of a developing country under a political system firmly dominated and controlled by the Head of State. To many people Libya is Muammer Qadhafi.

Of course, Muammer Qadhafi does dominate political thinking in the Libyan Jamahiriya. He led the group which brought the Revolution to Libya, and liberated the oil rich country from the control of Britain and the United States, and the multinational companies exploiting Libya's oil wealth without much benefit to the Libyan people. He has set the style of politics in the country for more than thirteen years, and Libyans are proud of the results. When they are not, criticisms are voiced in a system of democracy, the existence of which Libya's critics prefer to ignore.

The political system itself is due largely to the revolutionary vision of Qadhafi. It is based on the principle that democracy should be firmly based amongst the people of the country, and not in the hands of political professionals, such as the Members of Parliament, Senators and Congressmen in western democracies, or a party elite found in the systems of the communist countries. At the same time, Libya's democracy is a testament to the Jamahiriya's rejection of dictatorship so common in the Arab homeland and the Third World.

In the first part of *The Green Book*, Muammer Qadhafi rejects parliamentary democracy because, he argues, it places all power in the hands of parliamentarians, accountable to the electorate at elections every few years, effectively denying the people any influence or control over the political direction of the society in which they live. Qadhafi set out to create the framework of a system of democracy in which the active participants are the citizens of the country, and political power is decentralised.

The result is the *jamahiri* system of democracy, or the 'era of the masses' as it was proclaimed at a specially convened congress in Libya's southern city of Sebha in March 1977.

This new system vested power in the hands of the citizens through Basic People's Congresses, community forums in which every resident in the area is entitled to attend and put forward his or her opinions. The agenda is wide-ranging, covering not only local affairs concerned with the district, municipality or region, but also matters of the country's economic and development policies, and the Jamahiriya's stance on issues of international politics.

Urban centres, the municipalities, may have more than one BPC, depending on the population of the town, and each BPC chooses a secretariat, the size of which depends on the number of BPCs in a municipality, ranging from five members down to two. Each has a Secretary and an Assistant Secretary, responsible to the BPC for the day-to-day

administration and implementing the decisions taken by the BPC.

In the towns and cities a Municipal People's Congress provides a system of liaison between the BPCs in the area. This also has a Secretary and Assistant Secretary. Meanwhile, both municipal and basic congresses embrace a number of people's committees, whose members tend to be specialists in their field, to deal with issues such as housing, welfare and health, education, and utilities. All the committees are answerable to the Basic or Municipal congresses.

Other basic congresses exist in the professions and trade unions, and throughout the system 'officials' — the secretaries, Secretariats and their Assistants, remain firmly accountable to the citizens through the Basic People's Congresses which meet regularly.

From the local and municipal level come the issues to be reviewed by the General People's Congress, at which the Secretary and Assistant Secretary put forward the views reached at their congresses. By their accountability to the local congresses, the views of the citizen are fed directly into the decision reaching process of the General People's Congress.

The current 1981-85 development plan in Libya, for example, was the first to be approved under the new political system, and represented an important landmark in the history of developing nations. It was the first development plan which had been created as a result of public debate and popular decision-making, rather than imposed by central government and 'experts'.

Government in Libya has now given way to a system of secretariats which correspond roughly to the areas of responsi-

bility held by ministries in traditional political systems. But the term Secretariat represents more than simply a new word; the Secretariats are themselves responsible for implementing the policies determined through the BPCs and co-ordinated through the General People's Congress. The Secretary, replacing the old style Minister, remains accountable to the Secretariat's people's committee, chosen by the GPC. Accountability is paramount in the political process of the Jamahiriya.

The Secretaries from the Secretariats, covering responsibilities from foreign affairs, to education and petroleum, form the General Popular Committee, under the chairmanship of the Secretary-General, equivalent in traditional political systems to a government, but still firmly accountable to popular opinion whereas traditional governments are usually accountable to the Prime Minister or President.

The General Secretariat of the General People's Congress, convened by the Secretary-General, provides the final link in the political system, and is responsible for overall administrative liaison. Members of the General Secretariat and the General Popular Committee are ex-officio members of the General People's Congress, and their achievements and failures come under close scrutiny not only at the General People's Congress, but throughout the year at meetings of the basic congresses.

[Next month Jamahiriya Review will examine the development of democracy in Libya since the 1969 1st September Revolution, and the stages through which it has passed during the past thirteen years.]

ITALY RANKS AS TOP TRADING PARTNER

London JAMAHIRIYA REVIEW in English No 31, Dec 82 p 18

[Text]

FOLLOWING THE imposition of the Reagan administration of a trade boycott on Libya in March, Italy has become the most important destination for the Jamahiriya's exports, according to figures relating to the first half of 1982, published in *Middle East Economic Digest* on 29th October. Italian imports from Libya in the first half of the year totalled \$936 million. In the same period, US imports from the Jamahiriya fell to about \$493 million, from the more than \$1.1 billion in the same period of 1981.

Italy is also Libya's most important supplier, accounting for about 30 per cent of the Jamahiriya's total imports, and shipping goods worth \$1.1 billion in the January-June 1982 period. Major Italian exports to Libya are construction machinery, fodder, clothing, domestic electrical goods, furniture, vehicles, medicines and fertiliser.

Italian trade with the Jamahiriya has risen sharply in recent years. In 1981, for example, Rome's imports from Libya increased by 44 per cent to \$2.1 billion, while exports soared by 169 per cent to \$3.5 billion. Italy's success in trading with Tripoli represents a serious snub for Washington, which had vainly tried to pressure Italy and other European countries into joining Reagan's economic blackmail of the Jamahiriya.

EXPANDED ROLE FOR LIBYAN FLEET

London JAMAHIRIYA REVIEW in English No 31, Dec 82 p 18

[Text]

IN A move to expand the area of Libyan control over the economy, the Jamahiriya has announced that as of 1st December all cargoes bound for Libya by sea must be carried in vessels of the publicly-owned shipping line, the General National Maritime Transport Company (GNMTC).

The new regulation, promulgated in an Economy and Light Industry Secretariat Law of 25th August 1981 was heralded in the 1981-85 development plan, which calls for 60 per cent of the Jamahiriya's imports to be carried in Libyan-owned vessels by 1985.

Implementation of the 1981 law was delayed pending an expansion of GNMTC's fleet to a point where it could cope with a significant proportion of total traffic. Recently the line has taken delivery of a number of new general cargo vessels, and it now boasts eleven ships.

Another factor in the timing of the new regulation was the impact on GNMTC of increased competition amongst operators of routes to Libya in a year when the total cargo tonnage shipped to the Jamahiriya has been significantly lower than in the past. On UK routes, for example, rates had fallen to an average of £28 per cubic metre from an average of £35 in 1981. To attract cargoes, GNMTC had to charge at uneconomic levels, but even then

found itself undercut by larger operators.

The new regulation does not, however, spell disaster for foreign lines currently operating Libyan services. The GNMTC fleet is still small, and to meet demand the company will very likely grant waivers to foreign lines. There is also the prospect of joint operations of routes with foreign carriers, and talks on such a venture are reportedly under way with Newcastle-based Gracechurch Line, which provides regular services to the Jamahiriya. To meet shortfalls in its capacity, GNMTC will also increase charterings of foreign-owned vessels.

British and European agents for GNMTC are holding a series of meetings to discuss the implications of the new regulation, and to decide comprehensive new arrangements for routes to Libya. Final recommendations should be presented to the Jamahiriya early in the new year, and a continuing role for foreign firms, albeit under GNMTC control, is a key area under scrutiny.

A new GNMTC tariff is another major topic of the discussions. The line's UK agent, Aquitaine Maritime Agencies, is on record as hoping for Libyan approval of a new tariff structure, based on a rate of £35-40 per cubic metre — higher than the discounted prices, but lower than the current official rates.

MEDICAL TEAM FROM CHINA SCHEDULED TO ARRIVE

London JAMAHIRIYA REVIEW in English No 29, Oct 82 p 19

[Text]

A MEDICAL team from the People's Republic of China will serve in the Jamahiriya, under an agreement signed in Peking on 22nd August between the Chinese Health Ministry and the Libyan General People's Committee for Health. The Chinese team will arrive before the end of this year.

The agreement was one of several concluded in China in August during a visit by a team of top Libyan officials, headed by Mr Jadallah Azzouz Talhi, Secretary of the General People's Committee. The visit was the latest sign of the growing rapprochement between the Jamahiriya and China, after a period of estrangement between the Jamahiriya and China, after a period of estrangement prompted by Peking's support for the Sadat regime in Cairo.

Libya's \$62.5 billion 1981-85 development plan calls for an increase in the number of doctors from 4,300 in 1980 to 7,280 in 1985, while the ratio of nurses to people will remain stable at 1:240.

The plan puts special emphasis on the acquisition of skills by Libyans, and aims at increasing the proportion of Libyan doctors from the 1980 total of 10.5 per cent to 40 per cent, of nurses from 57.8 per cent, and of medical technicians from 41.3 per cent to 90 per cent.

TELECOMMUNICATIONS LINKS EXPAND

London JAMAHIRIYA REVIEW in English No 29, Oct 82 p 19

[Text]

EUROPEAN AND Japanese firms have been contracted by Tunisia to supply and install telephone links with the Libyan Jamahiriya and Algeria. The awards are in two parts, covering sections between Tunis and the Algerian border, and from the town of Gabes to the frontier with the Jamahiriya.

A \$66 million contract for installation of cables has been won by France's Société Anonyme de Telecommunications, the Italian firm Fabbrica Apparecchiature Telefoniche has a \$5 million contract for line equipment, while Japan's Nippon Electric Company will supply multiplex transmission equipment also valued at \$5 million.

The Jamahiriya has also been moving fast to improve its domestic and international telephone links, and in August the Libyan Overseas Telephone Commission introduced its 'call-a-number' service, allowing international calls to be booked through the operator to telephone numbers, rather than to individuals. Charges are \$6 for the first three minutes — compared with \$10.40 for person-to-person calls — and \$2 for each additional minute.

Libya's current five year plan provides for an expansion in the number of telephone lines in the Jamahiriya from six per 100 citizens in 1980 to ten per 100 in 1985.

MAJOR LANDMARKS FOR INDUSTRY NOTED

London JAMAHIRIYA REVIEW in English No 30, Nov 82 p 19

[Text]

MAJOR LANDMARKS in Libya's light industrial development plans came in September with the opening, as part of the celebrations marking the Thirteenth Anniversary of the Al Fateh Revolution, of plants for the production of fruit juice, bicycles, leather and pre-cast concrete bricks. The bicycle and leather factories are both in the Jamahiriya's second largest city, Benghazi, and have respective annual capacities of 75,000 bicycles and six million square feet of leather. The fruit juice plant was opened in Tripoli by Economy and Light Industry Secretary Musa Abu Freiwa.

The new concrete brick plant was opened in Tobruk, also by Musa Abu Freiwa, and has a capacity of 1,000 bricks per hour. In a special report on 14th September the Jamahiriya news agency JANA disclosed that technical and economic feasibility studies have been completed for eight further cement block and tile factories, to be sited in Ubari, Ghadames, Al Niqat al Khams, Souf al Jeen, Sebha, Tarhouna, Marzaq and Adjedabia.

Encouraging news for Libya's light industrial sector also came with an announcement by JANA on 23rd September that the Al

Muzari'i factory in Janzour had increased its output of plum juice by 115 per cent since the plant entered operation last January. Current production is 5,000 cases of forty cans each, working two shifts per day, and the Al Mamoura Food Company, which administers the plant, is planning to install a new production line, to achieve a capacity of 600 cans per minute.

A key aim of the Libyan Jamahiriya's \$62.5 billion 1981-85 development plan is the diversification of the economy, increasing the role of the major productive sectors of agriculture and industry, and reducing the size of the oil sector. Heavy and light industry together take the lion's share of planned investment — LD 3.9 billion, accounting for 23 per cent of overall planned expenditure. Of this, light industry has an allocation of LD 1.2 billion.

While formally part of the light industrial sector, Libya's food processing plants also have an important role in the country's long term plans for food self-sufficiency by the turn of the century. The current five year plan calls for a fall in the proportion of consumption met by imported food from 38 per cent in 1980 to 36.5 per cent in 1985.

SWEDEN WINS KUFRA DEVELOPMENT CONTRACT

London JAMAHIRIYA REVIEW in English No 30, Nov 82 p 18

[Text]

SWEDEN'S ARMERAD Betong Vaegfoerbattringer (ABV) has won two contracts, each worth \$20 million, from the Jamahiriya's Housing Secretariat for extensions to the new town under construction at the oasis settlement of Kufra, in south east Libya.

The first contract involves building access roads to the town, banks and a number of other small buildings. Completion date is October next year. The second award is for the construction of a mosque, a shopping centre and two schools, which are scheduled for completion by mid-1984.

ABV won the initial \$143.5 million turnkey contract for the Kufra new town in October 1980. The contract provided for the construction of 600 homes, schools, and sewage treatment plants, and completion was set for three years from the start date. ABV says that work on the new town, which will have some 2,000 residents, is already half finished.

The Swedish firm has been negotiating for some time for the construction of another new town at an undisclosed location between Benghazi and Kufra. The company expects the scheme to be about the same size as the Kufra project.

ABV is also negotiating a contract to build two small sewage treatment plants in the Tripoli region. It was disclosed in October. The work, valued at \$6.8 million, is for the Jamahiriya's Housing Secretariat.

CSO: 4500/67

NEW COMPANY FOR RA'A AL-UNUF SCHEME

London JAMAHIRIYA REVIEW in English No 30, Nov 82 p 18

[Text]

THE RAS Lanouf Oil & Gas Processing Company has been formed to take over the management of the Ras Lanouf petrochemicals complex from the Azzawiya Refinery Company (ARC), which was originally set up to administer a refinery on the coast to the west of Tripoli. Secretary of the new company's management committee is Mr Rajab al Kawafi, who was formerly with ARC.

Work on the petrochemicals complex — the Jamahiriya's largest — is well advanced. A 220,000 barrels per day refinery, built by the Italian firms Snamprogetti and Saipem, and Bulgaria's Tehnoeksportroj, is scheduled to start operations in the first quarter of next year. Also due for commissioning early

next year is a 330,000 tonne per year ethylene plant built by the British subsidiary of America's Stone & Webster Engineering Corporation, Italy's Belleli Industrie Meccaniche and Tehnoeksportroj. The refinery and ethylene plant will form the basis of a range of petrochemicals plants, including a polypropylene plant, low and high density polyethylene plants and a monoethylene glycol plant.

Most of the products of the Ras Lanouf complex will be exported through its own nine-berth harbour, nearing completion by South Korea's Hyundai Construction & Engineering Company under a \$300 million contract won in 1980. Overall consultant for the Ras Lanouf complex is the US firm Brown & Root.

CSO: 4500/67

AUSTRALIAN TECHNOLOGY FOR AGRICULTURE

London JAMAHIRIYA REVIEW in English No 30, Nov 82 p 19

[Text]

AUSTRALIA'S GROWING role in Libyan agricultural development was underlined in September with the disclosure that the Western Australian firm of Kimber Seeds has an order for two pitter seeders, valued at \$29,000. The seeders are suitable for sowing arid land seed mixes in desert reclamation projects.

It is not the first time that Libya has availed itself of agricultural technology developed in Australia, where natural conditions are often very similar to north Africa. In October it was disclosed that the farming machinery manufacturer Connor Shea & Company had completed delivery of 970 multi-purpose grain and fertiliser seed drills. The contract, worth \$4.7 million, was believed to be the largest single agricultural equipment order ever placed in Australia by an Arab country.

Australia is also involved in the Jamahiriva's plans to increase production of camel meat. In February *Newsweek* magazine revealed that Libya was negotiating with Australia to buy 700 camels for breeding and meat, but it is not known whether the discussions related to a Land Reclamation and Agrarian Reform Secretariat project to set up four new camel breeding centres, disclosed in September by the Valetta daily *Jamahiriya Mail*. A feasibility study has been completed for the scheme, which would have a capacity of 8,548 camels. There are at present some 90,000 camels in Libya.

CSO: 4500/67

TARHUNAH SCHEME ON SCHEDULE

London JAMAHIRIYA REVIEW in English No 31, Dec 82 p 19

[Text]

MORE THAN fifty-five per cent of work at the 35,000 hectare Tarhuna agricultural scheme near Tripoli has been completed, the Jamahiriya news agency JANA announced on 15th November. The project, an integrated scheme for cattle rearing and grain and fruit production, was started in 1978, and so far 600 kilometres of terraces and 460 kilometres of paved roads have been built. An initial area of 6,500 hectares has already been planted.

JANA also reported good progress at other Libyan agricultural schemes. Work on the Weshtata project, which started in 1977, is now in its final stages. An estimated 4,000 hectares has so far been reclaimed and this season 2,500 hectares will be planted to barley and 500 hectares to wheat.

At the 100,000 hectares Addawawin scheme, JANA reports that construction of five major water reservoirs has been completed and that 750,000 trees were planted during the past season, with 400,000 more to be planted in the coming months.

The encouraging progress of the Jamahiriya's agricultural development programme was also reflected in figures just released by the Secretariat for Agrarian Reform and Land Reclamation, showing production totals for the 1981-82 season (see box). The 1981-85 development plan calls for special emphasis on production of poultry and dairy produce

to meet rising demands for high protein foods, and highlights of the figures were that 1.3 million chickens, 8 million chicks, more than 80 million eggs and over 17 million litres of milk were produced in 1981-82.

One of the projects that will have major implications for the Jamahiriya's agricultural development is a planned \$5 billion aqueduct to bring water north from the Sarir region, deep in the desert south of Benghazi, for agricultural, industrial and domestic use in the coastal zone. In October it was revealed that the Japanese firm of Kubota is investi-

gating the possibility of supplying equipment for the scheme. The company is reportedly not considering supplying the main sections of four metre diameter concrete and steel pipe, but hopes to provide smaller feed pipe and pumps. The main consultant for the aqueduct scheme is the US firm Brown & Root.

The Jamahiriya's 1981-85 plan allocates LD 3.1 billion to agriculture, accounting for 18.2 per cent of total plan investments. Only the industrial sector, with an allocation of LD 3.9 billion, has a higher priority.

AGRICULTURAL PRODUCTION 1981-82

Wheat	115,455 tonnes
Barley	45,032 tonnes
Oats	59,234 tonnes
Kartal oats	80,874 bales
Animal fodder	516,145 bales
Sheep	19,699
Camels	80
Cattle	3,952
Chickens	1,316,851
Turkeys	11,988
Eggs	80,495,049
Milk	17,212,219
Wool	64,204 kilogrammes
Olive oil	348,724 kilogrammes

Source: Secretariat for Agrarian Reform and Land Reclamation, Tripoli

CSO: 4500/68

WADI LABDAH DAM OPENS

London JAMAHIRIYA REVIEW in English No 30, Nov 82 p 19

[Text]

AS PART of the celebrations marking the Thirteenth Anniversary of the Libyan Revolution, Muammer Qadhafi on 7th September formally inaugurated the Wadi LebDAH dam, near the coastal town of Homs. 1,068 metres long, 140 metres wide and 27.8 metres high, the dam will store surface runoff from a 300 square kilometre catchment area where the annual rainfall averages 250 millimetres. The reservoir will hold an average of 1,300,000 cubic metres per annum, although its capacity is 5,200,000 cubic metres, to allow for abnormally heavy rains. The Wadi LebDAH dam is part of a project that includes nine other barrages, and will supply water for irrigation and for industrial and domestic use in the town of Homs.

Wadi barrages are a central feature of the Jamahiriya's water conservation programme. More than ninety per cent of the country comprises arid desert, and in the better watered northern regions surface runoff from rainfall was previously lost to agriculture, draining along wadi beds into the desert or the sea. The opening of the Wadi LebDAH dam followed Muammer Qadhafi's 2nd September inauguration of the Jamahiriya's longest dam, across the Wadi Zart, near

Tripoli, and of the smaller Wadi Ghan dam, both serving the Wadi al Hira irrigation project.

Agricultural development was also the theme of a tour in September by the Libyan leader of the country's southern Fezzan region, when he visited the Al Arval, Al Hammam, Abu Njeim and Nina schemes. The Al Arval project embraces 125 irrigated sections of 40.5 hectares each. Work on the scheme started in 1977.

Lying seven kilometres north of the town of Sukna, the Al Hammam project includes a cattle breeding centre and chicken farms, whose output is distributed locally. The scheme also includes 182 farms of eight hectares each, planted with palm trees, grape-vines and fig trees.

The smaller Abu Njeim model farm project comprises 41 family smallholdings of four hectares each, planted with fruit and palm trees, and including farm-houses. The 1,003 hectares Nina scheme lies to the south of Abu Njeim, and produces grain, fodder and fruit.

Reporting Muammer Qadhafi's southern tour on 22nd September, the Jamahiriya news agency JANA added that he had also opened a section of the new road linking Al Shati and Al Mafrag.

POWER PLANT PLANNED FOR STEEL WORKS

London JAMAHIRIYA REVIEW in English No 31, Dec 82 pp 18-19

[Text]

THE LARGEST Libyan contract for several months was awarded on 30th October, when South Korea's Hyundai Engineering & Contracting Company signed a \$520 million contract to build a 480 MW power station and desalination plant at the integrated iron and steel works under construction at the coastal town of Misrata, east of Tripoli.

The power station will have six turbines, each of 80 MW capacity, while the desalination plant will have three units, each with a daily capacity of 10,500 cubic metres, giving a total capacity of 31,500 cubic metres per day. The plant will have eight 10,000 cubic metre storage tanks.

Japan's Fuji Electric Corporation will supply the turbine generators for the power plant, and Britain's Northern Engineering Industries — International Combustion — the boilers. Hyundai Heavy Industries will provide some of the mechanical equipment.

Consultant for the scheme is a joint venture of Britain's Ewbank & Partners and France's Société Générale pour l'Industrie, and client is the Jamahiriya's General Corporation for Iron & Steel Projects. The scheme is due for completion in three years.

The contract also provides for the training of Libyan personnel, for assistance in operating the power and water plants for the first year after start-up, and for technical back-up services during the first three years of operations.

The Misrata steel plant is the largest single project in the Libyan Jamahiriya's 1981-85 development plan. The \$3.3 billion first phase, for completion by 1985, provides for an annual capacity of 1.2 million tonnes. A second stage, for completion by 1995, will increase capacity to five million tonnes, while a third stage will give a seven million tonnes capacity by the year 2005. Most of the major construction contracts were awarded last year.

CSO: 4500/68

LEISURE EMPHASIS PLACED ON BANGHAZI DEVELOPMENT

London JAMAHIRIYA REVIEW in English No 31, Dec 82 p 19

[Text]

SOUTH KOREA'S Hanyang Corporation has emerged as the lowest bidder for the \$844 million first stage of a major urban development scheme in Benghazi. The project entails the construction of a twenty-storey city hotel, with 400 rooms giving 181,000 square metres of floor space; a ten-storey resort hotel, with 540 rooms giving 216,000 square metres; an eight-storey department store with a cinema; a four-storey harbourside clubhouse; seven recreation buildings; and offices and restaurants. The development is scheduled for a site along Benghazi's east coast.

Companies will be invited to bid for the second and third stages of the scheme after the award of the first stage contract. The second stage, to cost an estimated \$300 million, includes 1,500 homes in high-rise apartment blocks, and the third stage, also valued at \$300 million, will include low-rise dwellings.

Designs for the ambitious 110 hectare scheme were drawn up by a Japanese joint venture of Yachiyo Engineering Company and Kisho Kurokawa Architects & Associates. The client is the Jamahiriya's National Real Estate Investment Company.

CSO: 4500/68

WATER RESOURCES ENHANCED BY WASTE DISPOSAL SCHEME

London JAMAHIRIYA REVIEW in English No 29, Oct 82 p 17

[Article by Dr Alan George]

[Text]

WITH MORE than 90 per cent of the Libyan Jamahiriya comprising barren desert, water is even more crucial than oil to the country's long-term development. With this in mind, Libyan planners are engaged in a two-pronged programme, aiming to improve the quality and quantity of water, while at the same time taking steps to avoid wastage.

These two objectives neatly dovetail in Libya's ambitious sewage recycling schemes, in which the British consultant engineering firm Howard Humphreys & Partners is playing an important role. In the Jamahiriya's major cities and towns — Tripoli, Benghazi, Misrata, Sebha, Derna and Tobruk — the firm has designed and supervised construction of schemes where foul sewage is transformed into water of suitable quality for irrigation. As well as saving water, these treatment plants enhance both the environment and public health.

The basic design of all Libya's sewage recycling plants is broadly similar, and the plant serving Benghazi serves as a model. Located at Guarchia, eight kilometres south of the city, the first stage was commissioned in 1976, with a daily capacity of 27,000 cubic metres. The second stage will raise capacity to 81,000 cubic metres per day, and is nearing completion by the Jamahiriya's National Company for the Construction and Maintenance of Municipal Works. The third stage, to cost \$102 million, will bring capacity to 181,000 cubic metres per day.

A series of processes at Guarchia remove solid wastes and break down biologically the impurities in sewage, and the effluent is then sterilised with chlorine gas, which is now manufactured in Libya. Reservoirs can store up to three days' throughput of treated effluent — a total, on completion of the third stage extension, of 544,000 cubic metres.

Since 1977, the treated effluent has been used for irrigation on an associated agricultural scheme. To avert any risk of infection, however, no crops are grown for direct human consumption. Instead, maize, barley, alfalfa, Sudan grass and vetch are produced as fodder: the animals act as 'recycling plants' in their own right!

The 350 hectares first stage of the fodder production scheme entered operation in 1977, and a second stage, of 350 hectares, will soon be completed. Design and supervision is by the Polish firm Pol-service. A third stage, comprising 810 hectares, is being designed by the Zurich office of the West German Gewibau consultancy, and a 470 hectares fourth stage is planned.

Fodder harvests will be consumed by a 3,500-head dairy herd, and milk production will be processed at a new dairy plant, whose construction is about to start and should be completed in November next year.

Integral part

The Guarchia treatment plant is an integral part of the overall Benghazi drainage system, for which Howard Humphreys has had overall design and construction supervision responsibility since the early 1960s. The first phase entailed the provision of sewers, separate surface water drains and treatment works, and drew to a close in late 1974. The much more ambitious \$1 billion second phase covers the city's growth until the year 2014, when the population is expected to reach 950,000, compared with the present 400,000.

Howard Humphreys & Partners is helping the Jamahiriya to conserve its natural resources in other ways too. The firm played an important role in the establishment of Derna's modern domestic refuse disposal plant, which produces compost for agricultural use. In 1978 the Italian firm Marine Construzione Ecologiche was awarded a contract to design and build the plant. Libya's National Company for the Construction and Maintenance of Municipal Works was engaged by the municipality to check the designs and supervise construction, and they in turn brought in Howard Humphreys to assist. After careful study of the contractor's plans, the British firm recommended a number of significant modifications.

The plant has a capacity of 100 tonnes of domestic refuse per day, although the load for the first few years is unlikely

to exceed fifty tonnes per day. After glass, metal and other inorganic waste has been filtered out, the refuse is fed into large storage towers for accelerated fermentation. The compost is despatched either in bulk or, after screening and refining, in bags.

Experience

Howard Humphreys & Partners, like other firms with the benefit of many years' experience of involvement in the Jamahiriya's development programme, think that the image drawn by the western media is often misleading. 'We have had teams of engineers resident in Libya for the best part of twenty-five years. Others travel back and forth regularly,' says Maurice Archer, a Technical Director of the firm. 'In all that time we have been able to find solutions to most problems that have arisen, and have enjoyed the full co-operation of the country's authorities, in often complex projects.'

It is easy to understand why some British consultants have been reluctant to live and work in the Jamahiriya. Mr Archer added, saying: 'It can take time to adjust.' However, he stressed: 'Fortunately, we have this behind us now.'

He continued: 'I suppose Libya's media image inevitably affects people's attitudes. But from our long experience on the ground, I can say that any difficulties there might be in Libya are often accentuated by the papers.'

UREA PRODUCTION MOVES AHEAD

London JAMAHIRIYA REVIEW in English No 29, Oct 82 pp 18-19

[Text]

LIBYA'S FIRST urea fertiliser plant, at the emergent coastal industrial centre of Marsa Brega, produced 98,947 tonnes during the past six months, the Jamahiriya news agency JANA has disclosed. The 1,000 tonnes per day capacity plant was built at a cost of \$100 million by Italy's Foster Wheeler Italiana, and opened in 1980.

The petrochemicals sector is a cornerstone of the Jamahiriya's industrialisation programme, and a number of major developments have been completed, or are under way, at Marsa Brega. A second urea fertiliser plant is operational, and the contract for a third was signed in 1981. To be built by a consortium of Uhde of West Germany and Italy's Belleli Meccaniche Industrie, at a cost of \$97 million, the third plant will open at the end of next year, with a daily capacity of 1,750 tonnes. The capacity of the first urea plant, meanwhile, is scheduled to be raised to 1,750 tonnes per day.

Marsa Brega is also the site of Libya's first ammonia plant, and a second is nearing completion. The Jamahiriya's first methanol plant opened in Marsa Brega in 1977, and a second is scheduled to enter operation at the end of next year.

CSO: 4500/66

AL-KHUMS DAIRY COMPLEX OPENS

London JAMAHIRIYA REVIEW in English No 29, Oct 82 p 19

[Text]

LIBYA'S LATEST dairy complex was opened on 5th September at the coastal town of Homs by Mr Musa Abu Freiwa, Secretary of the General People's Committee for Economy and Light Industry. The plant, which employs 120 workers, has a capacity of 85,000 litres of milk per day with separate production lines for pasturised and homogenised milk, yoghurt and drinking yoghurt.

The \$62.5 billion 1981-85 development plan allocates \$8.3 billion to agricultural development, accounting for 18.2 per cent of total expenditures. Only the industrial sector, with investments set at \$11.7 billion, has a higher priority.

Rising living standards in Libya have brought a rapid increase in demand for high protein foods. Traditionally, mutton has been the country's staple protein, but Libyan planners feel that to encourage a major expansion of sheep rearing might result in pastures being damaged by overgrazing. Accordingly, the five year sectoral plan for agriculture puts special emphasis on the establishment of agri-business ventures to produce dairy and poultry products.

BRIEFS

CONTRACT SIGNED FOR OIL PRODUCTS STORAGE--Britain's Motherwell Bridge Engineering has won a \$10 million contract to build storage tanks for a petroleum products marketing terminal at the coastal town of Misrata. The order was placed by South Korea's Samsung Construction Company, the main contractor for the \$71 million terminal project for which the client is the Jamahiriya's Brega Petroleum Marketing Company. Motherwell recently completed delivery of the equipment from its Scottish works. The civil works sub contractor, in which the Scottish company has a major share is Milan-based Sicola Metana, which will complete construction of the Misrata site by the middle of 1983. Work entails erecting fourteen tanks with a total storage capacity of more than 2.5 million barrels of oil and five spherical pressure tanks for storing liquified petroleum gas (LPG). [Text] [London JAMAHIRIYA REVIEW in English No 31, Dec 82 p 19]

HOUSING PLANS ADVANCE ON TIME--Statistics just released by the Jamahiriya's Housing Secretariat show that housebuilding plans are well on target. Of 21,688 housing units for which contracts were signed early in 1981, 2,023 are now in their final stages of construction while four new neighbourhoods, each of 250 units have been built at Keberoun, one of 700 units has been completed in Zintan and one of 1,129 units at Ras Lanuf. In addition, construction has been completed of 131 public buildings, 2,608 classrooms in new schools, 53 headquarters of Basic People's Congresses and 15 new municipal administration buildings. The Jamahiriya's \$62.5 billion 1981-85 development plan calls for the construction of 146,200 housing units and for the completion of 59,952 that were underway at the start of the plan. The housing sector allocation totals LD 1.7 billion, accounting for ten percent of total plan expenditure. [Text] [London JAMAHIRIYA REVIEW in English No 31, Dec 82 p 19]

ELECTRICITY GRID AGREEMENT REACHED--One of the key projects in the Jamahiriya's 1981-85 development plan came a step closer to implementation in October with an undertaking by the Soviet Union to help Libya establish a country-wide electricity distribution grid, under an agreement reached at a meeting of the joint Libyan-Soviet Committee for Economic, Scientific, Commercial and Technical Co-operation. The two sides also agreed to formulate a plan to extend high voltage lines and to co-operate on a training programme for Libyan electricity workers. The Moscow meeting was attended by the Jamahiriya's Electricity Secretary, Mr Jum'ah al Arbush, and Mr Vladimir

Mordvinov, Vice Chairman of the Soviet State Committee for Foreign Economic Relations. The \$62.5 billion 1981-85 development plan calls for the establishment of a country-wide electricity grid by linking the existing independent grids in the regions of Tripoli, Benghazi, Sebha, Kufra and Sarir. The plan allocates \$6.6 billion to the electricity sector as a whole and calls for an increase in the country's generating capacity from 4,800 MW in 1980 to 9,400 MW in 1985. [Text] [London JAMAHIRIYA REVIEW in English No 31, Dec 82 p 19]

AGRICULTURAL LOANS--Sources of the agricultural bank said that there has been 22079 loans granted by the agricultural bank to the peasants, congresses and farmers since the eruption of the great Al Fateh revolution and until the end of September with a total amount of 138,264 million dinars the total grants from the beginning of this year and until the end of September reached 2118 of 10.727 million dinars. The mentioned loans were granted on seasonal, medium and long term loans repaid by annual installments each according to their time limits ranging from one year to 15 years with five years allowance for longer term loans during which the borrower is exempt from repayment. [Text] [Valletta JAMAHIRIYA in English 11 Dec 83 p 12]

RECORD BEEF ORDER FOR IRELAND--Purcell Brothers of Ireland have won a £20 million contract to supply the Jamahiriya with up to 12,000 tonnes of beef over the coming ten months, the Irish Times disclosed on 19th August. It is the largest beef order of its kind ever placed by a non-EEC country with an Irish beef exporter and was described by Irish Agriculture Minister Brian Lenihan as 'a very significant breakthrough for the industry.' Mr Lenihan visited the Jamahiriya in May specifically for talks aimed at boosting Irish exports of cattle and cattle products. On learning of the Purcell Brothers contract, Mr Lenihan said: 'The outcome has surpassed even what I had hoped for then.' [Text] [London JAMAHIRIYA REVIEW in English No 29, Oct 82 p 18]

CONSTRUCTION CONTRACT WITH INDIA SIGNED--The Indian state-owned Project and Equipment Corporation of India is well placed to win a \$100 million turnkey award for the construction of an administrative and commercial complex in the northeast town of Beida, it was revealed in September. The complex will include a hotel, cinema, supermarket, offices and apartments. The firm already has a \$29 million contract from the Beida municipality for the construction of eight schools, one five-storey block of flats, two warehouses, an administrative building and the completion of 199 houses. The firm hopes that work on its existing Beida contract will be completed early next year. [Text] [London JAMAHIRIYA REVIEW in English No 29, Oct 82 p 18]

IRISH TRADE BOOMS--Figures just released by the Central Statistics Office in Dublin show a marked increase in Irish exports to the Jamahiriya while imports from Libya have remained at a modest level. From a figure of £40.8 million in 1979, Irish exports--mostly of agricultural products--rose by 57 percent to £64.1 million in 1980. In 1981 they reached £102.6 million, a 60 percent increase on 1980 and two and one half times the 1979 level. Irish imports from Libya in the 1979-81 period, by contrast, were very modest, ranging between £1,000 in 1981 and £310,00 in 1980. The figures also show that the Jamahiriya has become Dublin's single most important market in the Arab region, in 1981 taking 35 percent of Irish sales to the region. Egypt was in second place with 24.1 percent. In 1981 the region accounted for almost six percent of worldwide Irish imports. [Text] [London JAMAHIRIYA REVIEW in English No 29, Oct 82 p 18]

LAA RESISTS WESTERN PRESSURE--Libyan Arab Airlines (LAA) is resisting pressures to lower its freight rates in the face of discounting by European airlines of up to fifty percent. At present the cheapest rates on routes between West Europe and the Jamahiriya are about \$0.86 per kilo. British-Libyan airfreight traffic is reportedly down by one third on last year's levels. In the first quarter of 1982 British exports by air to Libya totalled 834 tonnes, 33 percent less than the 1,237 tonnes carried in the same period last year. LAA is also facing pressure stemming from the US embargo of supplies of civil aviation equipment to the Jamahiriya. The airline placed firm orders for ten European Airbus Industrie aircraft worth \$500 million, but delivery of the first two planes due in June has been held up because the engines are supplied by Pratt and Whitney and General Electric, both of the US. The other eight planes were to have been delivered at a rate of two per year. [Text] [London JAMAHIRIYA REVIEW in English No 29, Oct 82 p 18]

SURVEY VESSEL TO WORK FOR OASIS OIL--The survey vessel Steigen, owned by Oilfield Hydrographic Projects, is to work for the Oasis Oil Company of Libya. In a recent refit, the ship's generating capacity was boosted, and precision echo sounder traducers and navigation equipment were added. The Steigen will survey a tanker terminal site near Al Sidr in the Gulf of Sirte, and when this has been completed, it will go on to conduct seabed coring operations in the central Mediterranean and pipeline route survey work in Spanish waters. [Text] [London JAMAHIRIYA REVIEW in English No 29, Oct 82 p 19]

CUBAN WORKERS--More than 3,000 Cubans are working in the Jamahiriya in construction, industry and agriculture, Mr Muhammad Ali al Ajili, Secretary of the Libyan People's Bureau in Havana has disclosed. In an interview with Havana radio on 9th September Mr al Ajili said that the number of Cubans working in Libya was expected to increase in the coming months while several youth delegations from the Jamahiriya would visit Cuba next year to take part in industrial and agricultural training programmes. The close ties between Cuba and Libya were highlighted on 15th September when Mr Levi Farah, the Cuban Minister of Construction arrived in Tripoli for a visit to the Jamahiriya. [Text] [London JAMAHIRIYA REVIEW in English No 30, Nov 82 p 8]

LIBYA UPS FIAT STAKE--The Libvan Jamahiriya has increased its shareholding in the Italian industrial conglomerate Fiat from 9.1 percent to 13.58 percent, it was revealed in September. The increase came in early 1981 when Fiat more than doubled its capital to \$241 million. Because of the increase, Libya did not take up a share option which it would have needed to convert by June this year and which would have also brought Tripoli's stake to about 13 percent. Libya's Fiat shareholding is administered by the Libyan Arab Foreign Investment Company (LAFIC), set up in September 1981 with a capital of \$1.7 billion to manage the country's direct, non-banking investments abroad. The Libyan Arab Foreign Bank (LAFB), which previously handled all overseas investments and which acquired the Fiat holding in 1977 now manages only the country's banking investments. [Text] [London JAMAHIRIYA REVIEW in English No 30, Nov 82 p 18]

PUMPING STATION EQUIPMENT--The Jamahiriya's Arabian Gulf Oil Company (AGOCO) is to renew turbines and buildings at its Nafoora oil pumping station, 200 kilometres south of Idabiyeh. Equipment with a total installed capacity of 25-30 MW is reportedly needed and bids for the project's consultancy were due on 15th September. [Text] [London JAMAHIRIYA REVIEW in English No 30, Nov 82 p 19]

DESIGNS UNDER WAY FOR MARSAL-BURAYQAH NEW TOWN--Following the completion of a tender evaluation report on the first construction package for the Marsa Brega new town on the coast about mid-way between Benghazi and Tripoli tender documents have been prepared for an additional four packages. The new town, to cost more than \$500 million, will house workers at one of the Jamahiriya's largest petrochemical complexes being developed nearby. The first construction package covers a neighbourhood comprising 1,300-1,500 homes to accommodate 7,000 people and an award is expected early next year. The other packages include a second neighbourhood, a sewage treatment plant, a desalination plant, roads and a district centre comprising public buildings. The consultant, a US joint venture by McGaugh Marshall McMillan and Holes and Narver, will soon complete designs for a third neighbourhood at Marsa Brega, and has started designs for a second district centre, a hospital complex and other buildings. [Text] [London JAMAHIRIYA REVIEW in English No 30, Nov 82 p 19]

KOREAN PARTICIPATION--The Jamahiriya's General Company for Instruments and Electronic Equipment (GCIEE) is seeking participation by South Korean firms in twenty industrial projects, the Korean Trade Promotion Corporation (Kotra) has disclosed. The plants will reportedly produce vehicle parts, textiles and electronic components. Earlier, it was reported that GCIEE had merged with Libya's General Electronics Company. [Text] [London JAMAHIRIYA REVIEW in English No 30, No 82 p 19]

SOVIET PARTICIPATION IN GAS PIPELINE--The Soviet Union is to take part in building a 570 kilometre gas pipeline along the Libyan coast, the Soviet news agency TASS has announced. The pipeline will link gas-gathering facilities at Marsa Brega with the mammoth petrochemicals complex under construction at Ras Lanouf, the \$1 billion fertiliser complex planned for the town of Sirte, and the iron and steel works being built at Misrata. TASS added that Soviet oil technicians were working alongside Libyan specialists in exploratory work in the Sarir region to the south of Benghazi, and that more than thirty wells had so far been drilled with an annual flow of 3-4 million tonnes. [Text] [London JAMAHIRIYA REVIEW in English No 30, Nov 82 p 18]

CSO: 4500/67

BRIEFS

NEW ZEALAND HOPES TO REVIVE MEAT SALES--Meat-exporting companies in New Zealand are submitting bids for an Iraqi government tender for lamb amid hopes that this once-flourishing market for New Zealand meat can be revived, according to a report from Wellington last week. The report said New Zealand hopes for sales of between 8,000 and 10,000 tonnes of lamb this year; sales to Iraq amounted to 30,000 tonnes in 1981 but problems of shipping meat to Iraq as a result of the Gulf war with Iran reduced them to zero in 1982. New Zealand recently signed contracts to deliver 100,000 tonnes of meat to Iran. The report quoted Adam Begg, Chairman of the New Zealand Meat Board, as saying that Iraq represented a potential market for 20,000 tonnes a year of New Zealand lamb if settled conditions return in the Gulf even though New Zealand had to compete against cheaper lamb exports from Latin America which Mr Begg claimed, were of lower quality. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 2, 10 Jan 83 pp 9-10]

CSO: 44—/171

CONDITIONS OF DOMESTIC TRADE SECTOR, COMMERCE IN YEAR REVIEWED

Amman AL-DUSTUR in Arabic 29 Dec 82 p 8

/Article by 'Abdallah al-Faris: "The Trade Sector: Accomplishments and Problems, in a Bold Dialogue with the Chairman of Its Chamber"/

/Text/ In order to learn about the volume of the services the Federation of the Chambers of Commerce offers through the various chambers situated throughout the kingdom, AL-DUSTUR learned about the federation's achievements from Messrs Amin al-Husayni and Rajih al-Amin. The picture was obscure.

In order to become informed with respect to the obscure party of the picture, AL-DUSTUR also met with Mr Hamdi al-Tabbar', the chairman of the federation and the president of the Chamber of Commerce of Amman.

In the former case, we were the listeners; in the latter case, we conveyed to our al-Tabba what had been going on in the minds of the merchants of the capital, Amman, through a random sampling which AL-DUSTUR had taken. Then the two pictures became clear.

The Federation of Jordanian Chambers of Commerce occupies a prominent place in Jordanian economic life, and the Amman Chamber of Commerce is one of the institutions in this federation. The other chambers of commerce in the kingdom are similar to it in terms of their representation of the private sector and their pursuit of their activities and duties in accordance with the relevant laws and statutes.

The Federation of Chambers of Commerce enjoys the attention and support of the government through the numerous commercial and economic services of teneral benefit it offers to various groups in society in general and to merchants and trade activity in particular.

The Activities of the Federation

In 1982, the Federation of chambers of commerce carried out a number of activities which AL-DUSTUR presented to Mr Amin al-Husayni, the secretary general of the federation. We will mention these here verbatim, with no interference on our part. Perhaps the most prominent of these are the following:

A Jordanian Working Paper

Local and Arab conferences and symposia:

The federation took part in the symposium on the agriculture of tomorrow and horizons of Arab-French cooperation in the period 15-19 March 1982 in Morocco. That was organized by the Arab-French Chamber of Commerce in participation with the Moroccan Bureau of Marketing and Exports and the General Federation of Arab Chambers. Numerous working papers and various studies were presented at the symposium. Jordan presented two working papers--"Elements affecting Injections in Poultry," given by Dr Talal Nassar, and "The Use of the Fertilizers of Tomorrow," given by Mr Hani Khuri of the Jordanian Fertilizer Manufacturing Company.

A Jordanian delegation from the federation and from the Chambers of Commerce and Industry in Amman and the Jordanian Chambers took part in the conference of Arab businessmen and investors which was held in al-Ta'if, in the Kingdom of Saudi Arabia, in the period 30 March-1 April 1982 with the participation of delegations from various Arab countries.

The conference had the objective of arranging a meeting and establishing acquaintances among Arab businessmen, creating opportunities for meetings among investors on both sides of the investment process, and getting to know the obstacles and problems facing the investment of money, by presenting examples, along with expertise from the field, with the aim of offering guidance and coming up with appropriate solutions.

Jordan presented a working paper under the title "Jordan--Resources and Possibilities," Dr Muhammad Sa'id al-Nabulusi, the governor of the Central Bank and representative of the public sector, gave a talk titled "Encouraging Investment in Jordan, in Theory and Practice," and Mr Muhammad 'Ali Budayr, former chairman of the Federation of Jordanian Chambers and representative of the private sector, gave a talk titled "Investment Capabilities in Jordan."

One of the most important recommendations which arose from the conference was the call for the establishment of a joint Arab conference which would continue on a periodic basis and would be held every year.

Jordanian Participation

The federation participated in the meeting of the General Society of Islamic Chambers of Commerce, Industry and Commodity Exchange held in Casablanca, Morocco, on 22-24 February 1982. Twenty-two Islamic countries took part in this meeting. The general assembly discussed various subjects related to Islamic countries and stressed the need for economic and trade cooperation among these countries and the use of financial resources and investment opportunities available in the Islamic world so that it would be possible to eradicate economic dependence on foreign countries.

The federation took part in the symposium on the development of Arab exports which was held in Abu Dhabi from 2 to 5 May 1982, and was jointly organized by the

League of Arab States, the General Federation of the Chambers of Commerce, Industry and Agriculture of the Arab countries, and the Federation of Chambers of commerce and Industry of the states of the United Arab Emirates.

Following the discussions that went on in the symposium on ways and means for supporting and developing Arab exports and eliminating the obstacles to their smooth flow among Arab countries, the symposium adopted some recommendations, most important of which were the expansion and development of the bases of production in the Arab countries on well-coordinated grounds which would afford an opportunity for use to be made of productive specializations and savings from large-scale activities and the orientation of Arab investment organizations, businessmen and investors to mobilize their resources in this direction so that they could play their part in the process of development and integration in Arab countries.

In response to an invitation from the Cyprus Ministry of commerce and Industry, a delegation from the federation attended the celebration inaugurating the Cyprus international fair on 20 May 1982. In addition, the members of the delegation met some Cypriot officials and a discussion was held on existing commercial relations between Jordan and Cyprus and means for developing them, and the possibility of getting the two parties to participate in joint projects.

The federation took part in the 55th session of the Council of the General Federation of the Chambers of Commerce, Industry and Agriculture of the Arab countries which was held in Kuwait from 14 to 16 February 1982.

Attending this session were the representatives of the federation and chambers of commerce, industry and agriculture of 17 Arab countries, in addition to the secretariat general and federation of Gulf chambers.

Meetings of joint Arab and foreign chambers. In this area, the Federation of Chambers of Commerce carried out the following activities:

The federation took part in the meeting of the board of directors of the joint Arab-Italian Chamber which was held on 17-18 February 1982. One of the most important resolutions adopted at that meeting was the appointment of Mr Muhammad Sabra, the Lebanese diplomat, as secretary general of the chamber, and the election of Mr Sacala, member of the Italian Chamber of Deputies, as vice chairman for the Italian party.

Visiting Delegations

The delegations visiting Jordan were as follows:

A German trade delegation visited Jordan on 27-30 April 1982. Meeting with the visiting delegation were the minister of industry and commerce, the chairman of the board of the Jordanian Electric Company, the director of the National Iron Manufacture Company, and the general manager of the cement plant. The delegation also made a visit to the port of al-'Aqabah and met with the director general of the port. The delegation met with the members of the Federation of Jordanian Chambers of Commerce and the Chamber of Industry of Amman.

At the end of the visit a cooperation agreement was signed by the Chamber of Foreign Trade of the German Democratic Republic and the Federation of Jordanian Chambers of Commerce to strengthen relations of cooperation and activity between the two parties and increase and encourage trade.

The federation received a delegation from the Arab American Chamber of Commerce (West Coast) which visited Jordan on 21-22 May 1982 and was composed of 40 members representing major American companies.

The minister of commerce addressed them, describing commercial and development projects in light of the 5-year development plan and praising Arab-American relations.

A delegation from the Argentine-Arab Chamber of Commerce visited the federation with the goal of studying the possibility of developing the volume of trade between Jordan and Argentina, especially in the area of foodstuffs. To this end, both the deputy minister of supply and Mr Muhammad al-Hajj Dib, acting on behalf of the Union of Foodstuff Merchants, met with the delegation.

Studies and Research Works

The federation prepared a study on the contributions which Arab chambers represented in the membership of the boards of the joint chambers had made to the budgets of these chambers.

The federation, in cooperation with the Amman Chamber of Commerce, prepared the field study on prevalent economic conditions in Jordan.

The federation put out the first issue of AL-NASHRIYAH AL-IQTISADIYAH, which is a quarterly dealing with economic projects and revised statutes and publishing commercial statistical studies.

Jordanian Chamber Affairs

In this context, a center for the clearance of postal packages has been established in the city of Irbid. The federation sent a letter to the minister of finance and customs requesting that the head of customs in Irbid be given the authority to clear postal packages no matter what their value. The minister of finance responded to this by raising the value of goods that are included under postal packages to 500 dinars, so that they could be cleared in the Irbid customs center. In the event the value is in excess of the sum of 500 dinars, the handling will be transferred to Amman customs, along with a sample, so that the value may be appraised.

Elections to the al-'Aqabah Chamber of Commerce took place on 13 January 1982 and Mr Sulayman al-Adham won election to the presidency.

In Amman, the chamber elections were held on 11 November 1982 and Mr Hamdi al-Tabba' won election to the presidency of the chamber and the federation.

Getting Representation for the Sectors

The federation also prepared studies and recommendations on amending the statute on chambers of commerce so that that would be in keeping with the evolved economic conditions in Jordan and so that membership in these boards would offer greater representation to various economic sectors.

In the local context, the Symposium on Commercial Terms was held; this was set up by the Jordanian National Committee in cooperation with the International Chamber of Commerce on 16-18 November 1982 in Amman and was attended by 49 representatives of various companies, banks and offices. The title of the symposium was "Commercial Terms in the Light of New International Expressions."

Among the most important subjects discussed at this symposium were the goal and the job of commercial expressions in sales contracts, changes in technology transfer, documentation practices, the law on the transfer of goods, the Hamburg statutes, the charter on multiconditional transport, and commercial terms of 1980.

The Amman Chamber of Commerce

The activities of the chamber, as Eng Rajih al-Amin, director of the chamber, said, were broken down by a number of areas, of which the most important were:

Social Services

A special fund was established for vocational education and training and 5 percent of the chamber's revenues were allocated to spending on vocational education and training. Training courses were held to raise the level of capability, support the commercial sector and serve commercial organizations and companies.

A number of training seminars were held, namely:

A training session for shipping agency employees.

A seminar on the role of the citizen and organizations in preventing highway accidents. This was held under the auspices of His Royal Highness Prince Hasan.

A seminar on disabled persons, under the auspices of Her Highness Princess Basmah.

A symposium on commercial terms.

Donations

The chamber donated 100,000 dinars for the establishment of an integrated cultural, social and sports project, the sum of 15,000 dinars to the al-Yarmuk Jordanian Forces, 15,000 dinars to people who had suffered damages from the Zionist invasion of Lebanon, 1,000 dinars for the celebration of the birthday of the noble prophet and amounts of up to 500 dinars to philanthropic societies on a periodic basis.

It also donated the sum of 15,000 dinars for the purchase of assets for civil defense teams and the costs of posts and signs set up at main intersections.

Trade Relations

Participation in the establishment of fairs and markets in the domestic and international contexts. The chamber helped:

Establish a fair for products from Hong Kong. It helped make that a success.

Establish a fair for Indonesian products. The chamber helped make that a success.

Participate in numerous international commercial exhibits.

Exchange visits and information, documents and publications with chambers of commerce in various countries of the world, in the desire to implant and stimulate trade with these countries.

In the field of economic studies and research work:

Participation with the responsible bodies in the study of various works of legislation, statutes and laws, such as the Labor and Workers' Law, the Income Tax Law, the Landlord and Tenant Law, the Customs Law, and so forth.

The preparation of field studies and economic research. The chamber has prepared a field study dealing with prevalent economic conditions in Jordan.

Training Courses

Sending some employees on training courses inside and outside Jordan with the objective of developing their skills and abilities and benefitting from them in advancing the chamber's activities.

The Chamber Library

Part of the building has been allocated to the library. In addition, the guide-books, sources, magazines and books present in the chamber have been recatalogued and an effort has been made to provide necessary sources so that Jordanian merchants can benefit from them.

The Computer

Computer use lies within the chamber's activities, proceeding from the goal of organizing the chamber, raising its performance level and serving its members. It issues membership certificates and the directory of commercial organizations and companies, based on the type of work and activity of the organization. In addition, it facilitates the process of payment of dues and the preparation of lists for the issuance of commercial directories.

Visiting Delegations

The chamber has received many visiting Arab and foreign delegations and has arranged programs for their visits, has provided receptions for them, and has provided every possible form of assistance to them in order to make their missions a success and strengthen economic relations between their countries and Jordan.

Telex Services

The chamber still continues to provide telex services for its members, especially those organizations whose circumstances do not easily allow them to own their own telexes.

The Shadows in the Picture

This was the picture without shadows, as Mr. Hamdi al-Tabba', chairman of the federation and chairman of the Amman Chamber of Commerce, presented it to us:

AL-DUSTUR brought Mr. Hamdi al-Tabba' a group of questions which could be descriptive of the shadows the federation and the chamber have spread about, in their dealings with the commercial sector, the federation's relationship with the government, and the extent to which the federation and the various chambers provide reasonable services to this important sector.

It is well known that the term of the board of directors of the Chamber of Commerce of Amman is 4 years, which in relative terms is not a brief period.

The question arises whether the board possesses governmental authority, through the fact that Mr. Hamdi al-Tabba' chairs the Amman Chamber of Commerce, the Federation of Chambers of Commerce and the National Council.

The Ministry of Supply

Herewith is the text of the conversation with Mr. al-Tabba':

Question: What is the extent of the effect of the Supply Ministry's dominance over certain commodities which citizens consume and over the merchants who belong to the chambers of commerce?

Answer: Since the establishment of the Hashemite Kingdom of Jordan, the government has been overseeing, supervising and planning a free, responsible economic system in which the private sector will exercise its right to free activity. We believe in this concept, but we do not want the public sector to abandon its role of supervising and planning or to compete with the private sector.

The public sector does not have the private sector's expertise and does not have experience.

We believe, through genuine conviction, in the setting of prices, but we do not believe in unilateral pricing, that is, pricing by the Ministry of Supply: we are supposed to participate with the ministry in setting these prices.

Mr Hamdi al-Tabba' wonders, "How can we be partners in development but not be partners in the setting of prices?"

He says, "The Ministry of Supply's dominance of certain consumer goods deprives the commercial markets of the spirit of competition and consequently causes these prices to remain fixed, and ultimately to harm the citizens when they rise."

Mr al-Tabba' asserted, "The goals of commerce are profits, but not in the form that is generally assumed. The profits we are talking about are reasonable ones."

The Income Tax

Question: Merchants "always" evade taxes. There is a saying that there are between 70 and 80 million dinars that the Income Tax Department should be collecting for the treasury but that evasion on the part of a large number of people deprives the government budget of this sum. I might single the merchants out for mention. What is your opinion on this?

Answer: There are duties and rights that devolve upon the government and the citizen. The government is supposed to provide services for the citizen.

Damages

Question: Merchants say that they suffer damages from organizations that offer service to the citizens, such as the Civilian and Military Consumer Organizations and the parallel markets. What is your opinion?

Answer: In fact we do not stint in providing services and support for the citizen. However, unprogrammed purchases from these organizations impose big burdens on officials; in addition, there is a lack of competition between the private and public sectors. I do not want to go on at length here, but customs exemptions alone do not create scope for competition between the public and private sectors.

He wondered: "Why are there bread subsidies which do not amount to anything, as a consequence of which citizens do not get good bread, as a result of the restrictions on prices?"

Competition

Question: Merchants say that the government is the new merchant in the market. What is your opinion on that?

Answer: To state the truth on this claim, we cannot compete with the government if it enters the market as a merchant. For example--not being precise--the capital of the Social Insurance Organization might be 800 million Jordanian dinars. This is a health organization, of course; while we want the government to take part, through its organizations, through financial and industrial companies, in developing the economy, we do not want these enormous sums to be invested in private sector areas and in private sector projects that might be under construction.

We want this money to be invested in the sectors of agriculture and commerce, for example.

The Chamber's Role

Question: What does the chamber offer the merchant?

Answer: The current session of the chamber has started at a good pace with its contacts with all the government organizations, through quiet dialogue and emphasis on the fact that the public and private sectors are two integrated sectors and that these two sectors must work together in the interests of the nation and the citizen.

We have also started to become aware of the problems of the merchant and the citizen, together, so that both parties may be aware of their duties toward this beloved country.

We say that the payment of income tax is a national duty and that the merchant must pay what he owes. We also state that the taxpayer also is entitled to receive his rights in full in exchange.

Customs evasion involves a lack of feeling of affiliation, but there are many reasons for it.

Military Courts

Question: Merchants complain about being handed over to military court and having the names of people who commit violations published in the newspapers, and they protest about the jurisdiction of this court. What is your opinion?

Answer: We in Jordan have competent civil courts which contain the elements of these courts, and their decrees are subject to various avenues of contestation, reversal and appeal. Therefore we see no justification for having this court deal with cases involving merchants.

It would be possible for the chamber of commerce itself to take charge of prosecuting merchants. It can do this: the chamber's arbitration committees rule on cases which involve millions, so why can't they deal with merchants' violations ranging from 20 to 50 dinars?

In conclusion, the merchants in the capital, Amman, are unanimous in the view that the Chamber of Commerce is viable and important, and they have praised the services it provides the trade sector. They have called for discipline in consumer organizations and demand that people not lend out government employee cards to groups of citizens who are not beneficiaries: the idea behind the establishment of these organizations, service and support for the citizen, is thereby defeated.

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CSO: 4404/160

BRIEFS

DOMESTIC EXPORTS RISE--Indices issued by the Ministry of Industry show that the value of domestic exports in Jordan increased from 60 million dinars in 1977 to 169 million in 1981. The most important goods exported were foodstuffs and livestock, whose value, in 1981, came to 220 million dinars; cigarettes (5.6 million dinars); beverages (1 million dinars); phosphate (54,080,000 dinars); lubricants (1,060,000 dinars); chemicals and pharmaceuticals (12,078,000 dinars); manufactured goods (34,006,000 dinars); transportation machinery and equipment and batteries (3,093,000 dinars); diverse manufactured goods (14,070,000 dinars); and other raw materials (2 million dinars). The indices confirm that the most important vegetables exported were tomatoes, whose value in 1981 came to 19.4 million dinars, and that exports of industrial goods, excepting phosphate, accounted for 78.19 million dinars, or 46.3 percent of total domestic exports. In other area, the indices showed that the value of imports in 1981 came to 1,047,000,000 dinars, whereas in 1977 their value was 157 million dinars. This increase may be explained by Jordan's oil imports, whose value in 1981 came to 174 million dinars, while in 1977 they were just 37 million. /Text/ /Amman AL-DUSTUR in Arabic 23 Dec 82 p 5/ 11887

CSO: 4404/160

IMPACT OF INVASION ON EXPORTS DISCUSSED

Paris AN-NAHAR ARAB REPORT & MEMO in English No 2, 10 Jan 83 pp 7-8

[Text]

The loss of export earnings caused by Israel's invasion and subsequent occupation of southern Lebanon totalled about LL 1.3 billion, according to a report compiled for the Beirut Chamber of Commerce and Industry. At current prices, which have improved sharply in favour of the Lebanese currency since last summer, the loss is equivalent to about \$340 million.

The report, published last week, said that despite an average increase of 15 per cent in the price of goods exported by Lebanon, the value of exports in the first nine months of 1982 was more than 16 per cent below the LL 4.05 billion recorded in the corresponding period of 1981. The value of exports for 1982 as a whole was tentatively estimated at LL 3.89 billion.

The report noted, however, that before the invasion, which began on June 6, export earnings were running as much as 52 per cent above levels registered in 1981, monthly figures for the summer of 1982 were about 45 per cent below those for the previous year and the figure of LL 1.3 billion lost takes account of projected increases in value which would have occurred but for the war.

Although the fighting has virtually ceased as far as the Israelis are concerned, the continued occupation of southern Lebanon seems likely to cast a shadow over the country's future export potential. The report shows that 1982 provided further confirmation of a trend established in the mid-1970s, when exports to oil-exporting Arab countries began to account for an increasingly large proportion of total sales. Lebanese exports to Saudi Arabia last year, for instance, represented 35 per cent of all sales, compared with 31 per cent in 1981; sales to Iraq shrank from 33.3 per cent of the total to 29.5 per cent because of the Gulf war, but Iraq remained Lebanon's second largest market.

However, if Saudi Arabia rigorously applies and extends the ban on Lebanese imports designed to prevent the flow of goods believed to have originated in Israel (*An-Nahar Arab Report & MEMO*, December 27, 1982), and if other members of the Gulf Cooperation Council follow the Saudi example, the pattern of trade could change rapidly.

A spokesman for the Israeli Ministry of Tourism last week said in an interview with Israeli radio that trade with Lebanon was "booming" in comparison with commercial ties with Egypt, with which Israel has a treaty. The spokesman claimed that 19,000 people had entered Israel from Lebanon since Israel unilaterally declared its border open to Lebanese traders and tourists in November; they included 5,000 tourists who visited Israel in December alone, he said.

CSO: 4400/168

OPTIMISTIC OUTLOOK ON ECONOMY

Paris AN-NAHAR ARAB REPORT & MEMO in English No 1, 3 Jan 83 pp 3-4

[Text]

The prospects for the Lebanese economy in 1983 seem to oscillate between hope and despair. The enthusiasm of investors, displayed in a major thrust into banking and the hotel sector immediately after the election of the late President Bashir Gemayel on August 23, 1982, died down later as a result of clashes in the Shouf mountains south of Beirut and intermittent fighting in the northern city of Tripoli. The most important factor determining the wait-and-see attitudes of individual investors now is the talks between the Lebanese, the Israelis and Americans on the withdrawal of foreign troops from Lebanon.

The negotiations began last week and sources close to the Lebanese government say that an accord is expected soon. It would permit the continued exchange of goods, a non-belligerence treaty and the manning by the Americans of other members of the Multi-National Force of three warning stations which the Israelis want to set up in the zone 40 kilometres north of their border.

The outlook for the economy meanwhile remains unpredictable, partly because business on a day-to-day basis has yet to pick up and partly because Lebanon has not so far received any substantial aid from other Arab countries, even that promised at the Fez summit four years ago.

The government has therefore decided to stimulate the economy by executing a number of major projects, particularly in the Greater Beirut area, and will finance them by borrowing from the local banking sector.

Experts close to President Amin Gemayel have estimated that the absorptive capacity of the economy in 1983 is of the order of LL 1.5 billion (\$ 400 million) – a volume which could easily be raised from Lebanese banks.

Projects under consideration include the following: the rehabilitation of damaged schools and hospitals; the construction of 1,000 public housing units, each with an average area of 100 sq metres; a link between North and West Beirut comprising two open tunnels and a monorail, and the extension of water supplies to the city from the al-Awali river including a sewage treatment plant.

On average, these projects would cost between LL 100 and LL 300 million and would generate employment for large numbers of engineers, accountants and construction workers. The plan is to designate each project to a major contracting company operating in Lebanon or owned by Lebanese and operating on a regional level. Contracts will be awarded without going through the process of open bids, in order to expedite the work.

The efforts of OGER Lebanon, owned by Rafic Hariri, in clearing debris from Beirut and improving the city's appearance have given an example of what the private sector can achieve when it is free from the shackles of bureaucracy. The work done by this company in the past three and a half months has been of more value and benefit than that carried out by the Reconstruction Board since it was set up more than five years ago.

President Gemayel and other members of the government believe that antiquated procedures must be cast aside if the country is to achieve the task of reconstructing in three years what was damaged or destroyed in the past eight years. They are of the opinion that the projects mentioned above, coupled with other private-sector projects could provide the spur to full and fast recovery by 1985.

This newsletter shares the view that these projects are realistic, but believes that the outcome depends very largely on a satisfactory agreement for the withdrawal of all foreign forces. We think that the withdrawals will take place and that optimism is more justified than pessimism in today's climate.

Summary of recent business developments

There have meanwhile been a number of developments recently in the business sector, some of which are summarized below.

Majdalani Bank has changed its name to Allied Business Bank after being taken over by the Zakhem brothers, successful international contractors with major projects in Kenya and Qatar and substantial interests in Houston, Texas. The bank's capital has been quadrupled to LL 20 million and a former Minister of Finance, Elias Saba, has been appointed Chairman and General Manager.

Minority interests include Kuwaiti and Qatari investors and the bank has an expansion and rationalisation plan in order to boost its position in the local banking sector.

A Lebanese contracting group has acquired a prize site in Ras Beirut covering approximately 4,200 sq metres for LL 50 million and plans to build offices to house the bulk of its international staff, most of whom are now in Paris.

The Kuwaiti part owners of a 33,000 sq-metre property on the southern seafront of Beirut have turned down an offer of LL 3,000 per sq metre from prospectors who had the idea of executing a beach and hotel development project. Although the offer was worth a total of about \$ 26 million, the owners of the site feel that higher prices can be expected in the near future.

The Central Bank has authorised Bank of Beirut to increase its capital from LL 30 million to LL 50 million with strong Saudi participation. Mr Said Ayass has joined the board of directors. The Chairman and majority shareholder, William Kazan, has meanwhile drawn up a programme for expanding the bank in Lebanon and abroad. Encouraging profits and results are expected less than three years after the bank was taken over by the present shareholders.

CSO: 4400/168

HEAD OF RECONSTRUCTION COUNCIL INTERVIEWED

Paris AN-NAHAR ARAB REPORT & MEMO in English No 45, 27 Dec 83 pp 8-12

[Interview with Dr Mohammad Atallah, President of Council for Development and Reconstruction, by Alistair Lyon]

[Text]

Q: What are the main areas where reconstruction is necessary according to the CDR's new plan?

A: It's not a new plan. It's an up-date of the old one (prepared in 1978). One characteristic of the damage inflicted on Lebanon is that we have received more of the same thing during each successive round of violence since 1975.

The sectors in need of reconstruction which we pinpointed in 1978 are the following: first of all, housing and then hospitals, dispensaries, public schools, public buildings, potable water, transportation (including roads, harbours and the airport), electricity, telecommunications, irrigation projects, destroyed areas and help for the private sector.

These are the main sectors in which a reconstruction effort is necessary. This was the case in 1978 and it is still the case, except that we have received more damage. For 1982, we have added Phase Zero of a waste management plan to the master plan. The waste management plan is a continuous effort that will take from 15 to 20 years, aiming to equip the country with the facilities for waste management.

As a by-product of this plan, we have uncovered certain areas where urgent improvements must be made. These cannot wait. They could be included in a relief programme, not necessarily considered as reconstruction. I'm thinking of cases where potable water has become mixed with sewage water and so on.

I'd like to underline the fact that we have been faced with a period of continuous destruction. In 1978 we were invited to remedy the destruction of 1975-76. The damage was very extensive and beyond the means of the country at the time to repair. Since then we have had successive rounds of violence in 1978, 1979, 1980, 1981 and 1982.

In order to measure the effects of damage inflicted in successive years, you don't simply add it all together. We have to deal with the cumulative effects of the damage. We have never really made it our prime concern to survey damage, except that sustained during the last Israeli invasion, because we feel we should be more concerned with remedying problems than with statistics. We prepared figures for damage inflicted in the summer simply because of the publicity generated by the invasion, and because of the interest of various agencies and national governments in having some figures.

The report gave a figure of about \$ 2 billion, though we must qualify this by saying that the report is not comprehensive. We may have made some mistakes. It is a draft and will always remain so because we are continuing to receive information. Anyway, in no sense does the figure of \$ 2 billion represent the cost of reconstruction. This could in theory be less or more. In our case it will be more because of this cumulative effect.

To give you a concrete example, let us take the network distributing potable water in Beirut. This distribution network started to become out-dated in the early 1960s after the phenomenal growth of Beirut. But you could really manage this inadequacy by patchwork, by trying to add facilities here and there. This is what the water authorities were doing. In the 1970s, the problem became more acute and once the troubles started, the system began to receive direct hits. It was estimated that the loss in water supply available to be distributed through this network amounted to more than 45 per cent.

With each round of violence this network suffered more and more, until after the new invasion we have started talking about a new distribution network. This is not a direct result of the Israeli invasion. The invasion was the last straw which made replacing the system necessary. But in order to remedy the damage sustained by the network, you have to look at the cost of installing a new system.

Rebuilding costs are disproportionate to damage

Another example would be public schools, which sustained heavy damage during the invasion. Public school building was always a problem in Lebanon. The government had plans to renew school buildings in the early 1970s. The 1975-76 war exacerbated the problem. Some schools which were shabby and dilapidated, but acceptable, have become completely unusable. When you replace them, you replace them with something new. The cost of rebuilding is therefore disproportionate to the actual damage inflicted. We should always keep this aspect of the problem in mind when comparing the estimate of the loss sustained with the estimate of the cost of reconstruction.

Another important aspect which should not be neglected is that during eight years of hostilities we lost nearly a decade of potential growth. In 1974, we were one of the countries in the world which attracted attention by its rate of growth. It was booming. It was just taking off at the time when the new petro-money was beginning to spill over. We just missed that. So you can imagine the cumulative effect of a growth pattern on this dimension coupled with the availability of such excessive liquidity in our traditional markets. This was lost. We have to make up for the loss of growth. This is one casualty of the war.

Q: One could almost say that the development process went into reverse.

A: Exactly. We don't have up-to-date statistics (another casualty of the war) for national income, but in real terms we have reversed rather than advanced. So there is a decade of growth lost. Any effort to resume our growth pattern of the early 1970s will have to take this into account.

Q: The list of sectors which you gave as those selected by the CDR for attention covered a very broad range of public services in Lebanon. Have you arranged them into any order of priorities and if so how did you arrive at this order?

A: First of all, the CDR is concerned with repairing public services, because if these are not taken up by the government, nobody will take them up. If nobody comes to your help in repairing damage to your house, you will do it according to your means. But you will not think of contributing to the rehabilitation of the road system. So this is one criterion in selecting areas.

Second, our terms of reference are very general. We are interested in overall financial, economic and social conditions in Lebanon. By law we advise the Council of Ministers on this and by law we are required to prepare a development plan. So in these more general terms, and as I mentioned without perhaps attracting your attention, an important part of the reconstruction programme of the CDR is devoted to helping the private sector. Not only the productive private sector — industry, tourism, agriculture and transportation, but also the household, through housing projects. This is part and parcel of our programme.

We also think in more general terms that if at this juncture we are really thinking of launching the long-awaited fully-fledged reconstruction operation, the public sector should and indeed is expected to play the leading role in the revival of the Lebanese economy. All these reconstruction projects pertaining to the public sector, to the government, will not be implemented by government agencies. The government does not have any implementation capacity and we do not intend to create any such capacity. So all of these will translated into

contracts for the private sector and will thus form a direct contribution to reviving the activity of the private sector.

We think that the pride of the Lebanese economy, the thing which makes it so different from other economies, is the qualities of the private sector which we think has matured, increased in experience, increased in vision – and hopefully also in its horizons – as a result of the imposed *diaspora*.

The private sector has done very well there (abroad) and there is no reason why it should not do well here and make the country share in its prosperity. We feel that in Lebanon, even those companies which have done very well for themselves, those for whom this *diaspora* was almost a windfall, are hesitant when they consider the Lebanese situation. They are hesitant, sceptical and demoralised and we need to give them a helping hand. This helping hand is exemplified by reconstruction of the public sector and also by easy credit. As a general rule, we have decided that during the first two to three years of fully-fledged reconstruction, we should be able to provide one Pound in easy credit for every two Pounds of private investment.

Q: In view of this hesitancy on the part of the private sector about returning to Lebanon and being active here, when do you think fully-fledged reconstruction, to use your own term, can get off the ground?

A: We always said that the two requirements for a fully-fledged reconstruction operation are security and finance. There are many others, but I could say only security, because even if financing was forthcoming, we would need secure conditions. By security I don't mean a calm Lebanon like the nice villages of Switzerland where all you can hear from time to time are the bells of the cows. No, what I mean is a decisive turn for the better in the political situation, a taste of which we had in September.

I would say that in September, the Lebanese felt there was such a decisive turn for the better, witnessed by the ability of our institutions to re-equip themselves with a new President twice in less than a month and with a new government. It was also exemplified by the decisive position taken by Arab countries in support of Lebanon, by the US, which was supporting all its nice words with actions, France and other European countries.

All we have needed since then is a piece of good news every day. We have had the contrary, although the situation which prompted the euphoria of optimism among the Lebanese has not changed. Maybe now once again we are struggling with the realities of life – and life is not easy – in contrast to the previous situation when we were struggling with death.

Q: Do you think reconstruction can begin in earnest before the withdrawal of foreign forces from Lebanon?

A: Yes, as a matter of fact we have suggested to the President and to the government that we could start on fully-fledged reconstruction in the first quarter of 1983.

Q: Will this have to be confined to Beirut?

A: Well, some other projects can be done in other areas. When we have finished the ongoing discussions, I will be able to give more details.

Q: You were saying that foreign governments have acted to back up their declarations of good will. What actions were you thinking of?

A: Take the US. The usual aid programme to Lebanon over the last few years was \$ 7-8 million a year. In 1982, this leapt to \$ 85 million. I don't want them to continue at that pace, multiplying their aid by ten every day, but this is a different performance.

Q: There was a report in the *Washington Post* that the Reagan administration was considering going to Congress with a request for \$ 500 million in aid for Lebanon. Have you any confirmation of that?

A: This was the first time we heard such figures. Even if it is not \$ 500 million, even if it is \$ 150 or \$ 200 million, this shows a continuing role and interest in economic support for Lebanon at a respectable rate.

Take the European community. In April, we negotiated a protocol for 50 million units of account (EUAs) and in negotiations which took about two weeks we applied for another exceptional 50 million EUAs. In June, during the war, the community signed for the exceptional 50 million EUAs for which we had applied. Last week during EEC Commissioner Edgard Pisani's visit, we were discussing an outright donation of \$ 5 million a month. This is a different approach.

Take Italy. We have never had a contribution from Italy towards our reconstruction before, yet Italy has announced that it is negotiating a financial protocol which will give us about \$ 130 million over the year. Many other supplying countries, advanced countries, from which we expect to import goods and services for our reconstruction effort, are showing willingness to help us with financial protocols similar to the Italians and the French — Japan, West Germany, South Korea, Switzerland, Canada and Australia. We hope the British will move too, but they are not the fastest movers in this direction.

Take the Arabs. Although they have not stepped up their reconstruction help, the promptness, warmth and decisiveness of their relief efforts coupled with their statements of support, specially from those who can be considered leaders, such as Saudi Arabia and Kuwait, are very reassuring. In addition the World Bank is coming back in full force, and is considering not only a new package for Lebanon but also paying a role in fund-raising.

Q: Do you have details on what activities the World Bank is planning to undertake?

I myself am waiting for details. During the recent three-week visit of a delegation from the World Bank we first of all presented them with our overall needs, in the way I did with you, in slightly more detail. Then we presented them with a choice of programmes which we think can be more attractive. We wanted them to shorten or lengthen these in the light of their investigations.

Their mission, which was defined as a reconnaissance mission, came up with what they called very encouraging findings. Hopefully, by the end of this year or the beginning of next year they will come up with something more specific and their very encouraging findings will be translated into an interesting new package for Lebanon.

Q: Exactly what role do you think the World Bank can play?

A: They are interested in providing aid directly from their resources, in going into a joint venture, in presenting interesting projects to other sources of finance and possibly, though we are not sure of that, in sponsoring a fund-raising organisation.

Q: Going back to the Arabs for a moment, the Saudi Arabian Defence Minister Prince Sultan Abdul-Aziz said last week that no aid would be forthcoming until after foreign forces withdraw from Lebanon. Does this correspond with your information?

ISRAELIS DAMAGED OR DESTROYED 9,888 DWELLINGS IN AND AROUND BEIRUT

A total of 9,888 housing units in Beirut and the Mount Lebanon region were damaged or destroyed by the Israeli invasion, Lebanon's Council for Development and Reconstruction reported last week. The report said 2,258 of these housing units had been completely destroyed, 4,822 had been badly damaged and another 2,808 had been damaged less seriously.

The report estimated the cost of damage and destruction to housing in Lebanon as a result of Israeli actions at LL 3.434 billion (LL 1 0 \$ 0.256), including damage to an unspecified number of housing units in southern Lebanon which was evaluated at LL 515.525 million. Damage to housing in Beirut was estimated at LL 2.833 billion and damage in the Mount Lebanon region was assessed by the Council at LL 88.364 million, according to the report.

A: This is very encouraging both from a political and an economic point of view. At the economic level, it is a confirmation of a stand which we know. At the political and military level, the postponement should not be for a very long time, despite the fact that the rising expectations of the Lebanese for a possible withdrawal of all foreign troops by the end of the year have not been realised. In one way or another, these expectations were encouraged by statements from the big powers of the world. So I think it was a positive announcement.

Q: Are you confident that the Arabs will fulfill the commitments which they made at the Tunis summit in November 1979?

A: Well, they have already contributed \$ 381 million out of the \$ 1.2 billion due over the last three years. You know that the total amount was \$ 2 billion, but it seems in the light of the recent statement (by Prince Sultan) that security, as we always say, is the main factor in making such funds available, even when they have been committed.

Geographical distribution of damage to physical infrastructure caused by the Israeli invasion of 1982*

Sector	Beirut \$	South \$	Mt. Lebanon \$	Beqaa/North \$	Total \$
Schools	62,604	19,929			82,533
Health	43,513	28,577			72,090
Potable water	3,879	3,750			7,629
Irrigation		1,125			1,125
Waste disposal	7,500				7,500
Rubble disposal					7,500
Roads	14,275				14,275
Government bldgs	15,116				15,116
Army buildings	13,750	8,500	250	12,500	35,000
Municipalities		9,800			9,800
Airport	30,000				30,000
Port	9,000				9,000
Public transportation					
Agriculture		50,875			50,875
Industry	89,346				89,346
Housing	708,441	128,881	21,341		858,663
Electricity	75,000				75,000
PTT	62,500				62,500
Commercial	353,837	130,750	656		485,243
Total	1,488,761	382,187	22,247	12,500	1,905,695

*Source: Council for Development and Reconstruction, November 23, 1982

Note: These are preliminary estimates which do not include damage inflicted during the period April 1975 to May 1982.

Q: What about the plans to reconstruct the downtown centre of Beirut?

A: I mentioned this as one of the sectors due for reconstruction. In the mini-start of the fully-fledged reconstruction effort, which we are suggesting should be launched in the first quarter of next year, some money will be devoted to beginning this project. Remember that as far as planning is concerned, some of the projects for reconstruction of the commercial centre are ready for tendering at any moment. Even if our original plan was to start work on August 15, 1978, now hopefully we will start some time next quarter.

Q: What efforts are being made to provide low-cost housing?

A: The Ministry of Housing and the Housing Bank now have two main projects to meet the housing problem. One is Decree No 20, a programme which provides easy credit for the repair of houses and a scheme prepared by the Ministry of Housing to provide easy credit that will enable low income groups to acquire adequate housing. They will get loans repayable over a period of 10 years. Meanwhile, the Housing Bank provides credit for higher income groups earning between LL 20,000 to LL 45,000 a year.

We have a third problem to solve – that of displaced people who cannot benefit from either major programme, either because they lack a house which they can repair, or because they lack an income which could serve as the basis for credit. In this area we can use the experience of many countries which have had this problem before us. If we make the mistake of turning a temporary solution into a permanent solution, we are in trouble.

Q: Vlado Khlát, President of the Housing Bank recently said that the bank was short of resources.

A: This is because the Housing Bank is not yet a bank. It is dependent on its capital, or its quasi-capital, and on whatever help we are able to muster for it from our own resources. It does not attract deposits and in order to be worthy of its name by law a bank should be able to attract deposits. I'm not saying this in a critical way. I'm sure that developing the ability of the Housing Bank to attract local deposits for the purposes of housing credits is a long term objective. Hopefully they are doing what is necessary to develop this capacity.

Q: Do you think that one of the obstacles to reconstruction is going to be inefficiency in the public administration?

A: I'd like to take this opportunity to talk very frankly about this. First of all, I do not accept the proposition that the Lebanese public administration is particularly inefficient or corrupt, even though one of the important justifications for the creation of the CDR was to introduce the principles of efficiency known in the private

sector to the public sector. I don't think the Lebanese public administration is a front-runner for inefficiency and corruption among all the public administrations in the world.

I accept that there is a problem. It's an eternal problem. It exists in our area, in the most advanced European countries and in the United States. So let's be fair. What I don't accept and what I consider not only unfair but also misleading is to make administrative reform, which in itself is a noble objective, a precondition for reconstruction. On the contrary, we say that it should be the by-product of a good, well-planned and well-implemented reconstruction effort. Administrative reform is one of our long term development objectives, but not a precondition for reconstruction. This is at the general level.

At a secondary level, one of the characteristics of the Lebanese administration is that, as I told you, it has no implementing capacity of its own. At best it is a project manager, with the implementation coming from the private sector.

What will be tested is the ability and efficiency of the private sector and by private sector, I don't mean only the Lebanese private sector, but the private sector from every corner of the world. This was an open country. It has become more open now and I would like to see the participation of the private sector from different parts of the world in helping us with our reconstruction needs.

Q: Do you think the reconstruction effort should be oriented towards recreating Lebanon in the image it had before the war?

A: One undeniable fact about Lebanon is that during these eight years of fire and horror, it has not lost any of its inherent characteristics. If anything, some of them have become more solid. When I say characteristics, I'm talking about the country's vocation. Lebanon still has a most attractive geographical, sociological, ethnic and historical situation. I don't think we have lost any of this. This fermentation over a period of time in a historical and geographical context has not stopped over the last eight years. On the contrary it has been reinvigorated and reinforced.

If anything Lebanon has improved its ability to make use of its fundamental characteristics. Hopefully, Lebanon has become more capable of performing its traditional function as a centre for services, for commerce, for banking, for education, for summer and winter resorting and as a meeting place. Through bitterness, it has also become wiser in providing the means to defend its advantages. This is a good proposition for the future.

REBUILDING COMMERCIAL DISTRICT PLANNED

Paris AN-NAHAR ARAB REPORT & MEMO in English No 3, 17 Jan 83 pp 5-6

[Text]

The Lebanese government's Council for Development and Reconstruction last week unveiled its first major project to rebuild Beirut's war-ravaged commercial centre by calling for tenders to build a road and underground rail network giving access to the area. The choice of the project is highly significant from both political and economic viewpoints.

Politically, it commits the administration to something that successive governments have been unable to attempt since the end of the civil war: ending the *de facto* division of the Lebanese capital which has been most visible in the downtown quarters, where the skeletons of looted and burned out buildings were used as vantage points by snipers on both sides. The area has served as a no-man's land or buffer zone between Christian east Beirut and mainly Muslim west Beirut and for several years it has been apparent that the city's rival militias wanted some of Beirut's most valuable real estate to stay in its present ruined condition. Much work has been undertaken to lift and destroy mines and booby traps over the past few months and French army experts from the multi-national peace-keeping force have been especially helpful to the Lebanese authorities.

In a broader sense, the project also represents an active commitment by the government to begin reconstruction after years of talking about rebuilding the city's centre. This, of course, would hold true for any large reconstruction project that was chosen to initiate the process of rebuilding and so it is the potential economic importance of the road network for the future of downtown Beirut that gives it its special political importance.

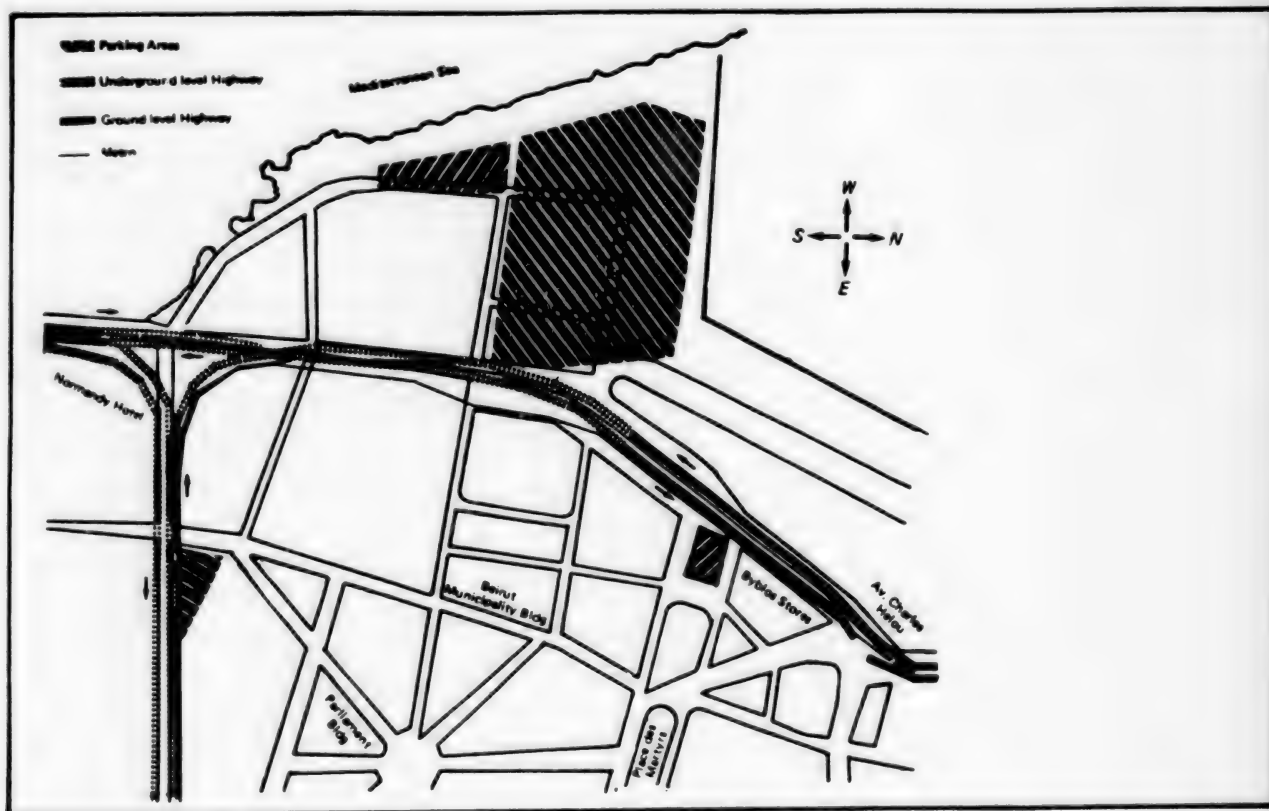
By singling out the problem of easy access to the downtown quarters, the Council for Development and Reconstruction is showing its determination to make it possible for private developers to get in and get on with the bigger job of putting up the new buildings that will bring the area back to life again.

The Council is calling for pre-qualification bids by contractors for the construction of roads, bridges, tunnels and underpasses as well as for underground parking places and other related public facilities in the city centre (see map). The project involves building two U-shaped underpasses topped by flyovers to link the northern entrance to the city with the seafront hotels district; two underground rail lines are to be built between the underpasses and alongside them and these rail lines are intended to circle the commercial centre of the city; underground garages are to be concentrated mainly near the commercial quarter's northern entrance and to the south of the port of Beirut.

Applications for pre-qualification to tender must be presented to the Council no later than February 7 and work on the ground is scheduled to start by mid-April.

The Council will not accept bids from civil engineering contractors whose annual turnover during the last three years has averaged less than \$100 million and consortia of contractors bidding for the project must contain at least one civil engineering firm with an annual turnover of \$100 or more over the past three years. The Council has ruled out in advance any bids from firms seeking to act as agents.

The cost of acquiring the land needed for the project is estimated at between LL 110 million and LL 130 million (between \$30 million and \$35 million) and the land to be acquired includes a Roman Catholic cemetery with an area of 10,000 square metres which faces the St Georges Hotel. Construction costs are expected to reach LL 320 million (about \$86 million), of which about half is expected to be spent during the second half of 1983.



CSO: 4400/173

BRIEFS

CUSTOMS REVENUE DECLINE--The Lebanese government gathered only LL 403.3 million (\$108 million) from customs duties last year, 7.3 percent down on the already depressed figures for 1981, according to the Beirut newspaper An-Nahar. It is the lowest total for five years, representing a fall of 44 percent since 1978, 40.8 percent since 1979 and 41.2 percent since 1980, the paper said. The decline may be attributed to the effects of the Israeli invasion and the siege of Beirut, in addition to the familiar problems of rampant smuggling and a thriving import business through illegal ports. Before the 1975-76 war, up to 50 percent of government revenue derived from customs duties and the continuing decline in income from this source is one reason for the weakness of the state whose other sources of revenue have also been hit by recurrent violence and anarchy. A number of Lebanese planners and economists believe that if the central government remains unable to assert its authority over the whole of the country, including the illegal ports, it should look for ways of diversifying its sources of income. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 3, 17 Jan 83 p 6]

AIR TRAFFIC FIGURES--The closure of Beirut's International Airport for 114 days last year caused a 30.8 percent fall in aviation traffic and cut passenger traffic by around 1 million, according to a report carried by the Lebanese daily AN-NAHAR. As a result of the Israeli invasion the airport was shut from June 7 to September 30. This led to a 36.7 percent decrease in passenger traffic compared to 1981, itself a bad year by previous standards. Passenger loads averaged 56.4 per plane, compared to 61.7 in 1981, the report said. Air traffic in the second half of 1982 was 49.7 percent down on the first half of the year while the overall monthly average of incoming and outgoing planes was 1,303 last year, compared to 1,885 in 1981. Passenger traffic in the second half of 1982 fell by 45 percent compared to the first six months. The monthly average of travellers leaving and arriving stood at 51,715 in the second half of the year, against 95,421 in the first half. The overall average was 73,568, compared with 116,331 in 1981. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 3, 17 Jan 83 pp 6-7]

CSO: 4400/175

VARIOUS NEW PROJECTS APPROVED

Kuwait ARAB OIL in English No 12, Dec 82 p 61

[Text]

An agreement to construct a 5.64 million dollars administrative complex and nine factory buildings on the Rusail Industrial Estate was signed recently at the Ministry of Commerce and Industry, according to the Oman Daily Observer.

Under-Secretary at the Ministry, Ahmed Macki, signed on behalf of the Government of Oman and the General Manager of Qurum Contractors, K S Parikh, signed on behalf of the company.

The signing ceremony was attended by representatives from Turner Wright and Partners, consultants responsible for the design and supervision of the project, Qurum Contractors and senior officials of the Ministry.

According to the agreement, the contractors will build an administrative building, three shops, a maintenance depot, a cafeteria, a mosque, exhibition area and nine factory buildings ranging in size from 612 sq meters to 2,250 sq. meters.

The construction work began in the second week of September and is expected to be completed within 15 months. The administrative complex will house the estate office, and the factory buildings will be allocated to industrialists in need of extra support to set up their industries.

The 62.61 million dollars Rusail Industrial Estate is one of the major projects in Oman's Second Five Year Development Plan. Work

on the project began last year with the levelling of 117 hectare of land at a cost of 1.71 million dollars. Later another contract worth 14.4 million dollars was awarded to create infrastructure facilities on the estate. Services being provided under this contract include a network of roads, electricity, sewage, telephone and water.

Phased

The Ministry of Electricity and Water is installing a 200 MW power station, expandable to 500 MW, on the estate. The General Telecommunications organisation is also busy setting up a 1,000 line electronic telephone exchange. The proposed exchange will also provide a telex facility to subscribers. Since the main Yibal-Ghubra gas pipe line passes by the estate, Oman's rich supplies of natural gas will be fully exploited to fuel the industries to be established.

The estate is being developed on a phased basis and Phase I will be completed by January next year. The Ministry proposes to allocate 153 industrial plots to new and re-locked industries.

Under the second phase, industrial plots in an area of 50 hectares will be developed and 15 factory buildings, a training center, a health center, a fire station, a police station and bank will be constructed. A housing area is being planned which will be allocated to the Industrialists to house their manpower.

MINING COMPANY RESUMES PRODUCTION

Kuwait ARAB OIL in English No 12, Dec 82 p 60

[Text]

THE 20,000 tonnes per year electrolytic copper producing Oman Mining and Refining Company commenced production last month, according to a spokesman.

He said that the company will produce electrolytic copper of 99.8 percent purity.

Oman has been often referred to as the state of origin of the legendary "copper mountain." The land of copper was reborn last month when copper production was resumed.

The sprawling complex 235 kilometers from Muscat on way to Buraini, is situated 24 kilometers from the coastal highway. It will utilise ore mined from three-sites — Lasail, four kilometers south of the central plant site and Bayda and Arja located six and seven kilometers respectively to the north of the plant.

The project will provide employment to 500, to start with. It will be served by a new port, power station and gas pipeline. The mines have been developed on the ramp access methodology. Huge electro-hydraulic jump-drills drove tunnels four meters and

five meters wide, at a 10 to 15 percent gradients, into the ore body, reaching a depth of 300 meters.

Over 13,000 meters tunneling was required to bring the mines to the operational level. Around 3,500 tonnes of copper is to be mined daily from the three sites. The Saudi Fund for Development has granted 100 million dollars for the 150 million dollar project.

Approval

In February 1981, the Royal stamp of approval was given to the formation of Oman Mining Company with a total capital of 1.5 million dollars. It was entrusted with the task of carrying out feasibility studies, exploration and research and finding markets for raw and processed materials. Financed by the Ministry of Petroleum and Minerals and the Oman Development Bank, the company was granted full rights of concession and other dues and entitlements bought back from Marshal Exploration Company and Oman Prospection by the government. The Petroleum and Minerals Undersecretary, Salim Shaban, was appointed Chairman of the administration council.

The story of copper mining in Oman is one of hesitant steps at the beginning. Minerals data was collected alongside geological surveys for oil but the wealth of information got thereby — it formed an excellent base for future prospecting of minerals — was to remain in the files for a long time.

The Royal Dutch/Shell Exploration and Production Laboratory carried out a geological survey of the Oman mountains during 1966-68. The results were published in three volumes in 1974 with the title 'Geology of the Oman mountains.'

Several surveys specifically aimed at prospecting minerals were undertaken during the First Plan period (1976-80). These covered certain areas of northern Oman and the Masirah Island.

Concession

In February 1973, the government granted the first mineral concession to two companies — Marshal Oman and Prospecting Limited — initially reserving for itself a 21 percent share, which was raised to 51 percent in 1978.

In April 1980, the government bought the remaining shares from the private shareholders. Accordingly, OMC became fully owned by the government.

The company concentrated its efforts at the start on prospecting for copper where there was evidence of copper mining centuries ago. Deposits were thereafter discovered at three areas near Sohar, Baida, Asail and Arja. As the drill-proven deposits which proved to be abundant and contained 2.1 percent copper. The project was, therefore, designed to extract about one million tonnes raw material per annum and produce approximately 20,000 tonnes of copper of 99.8 percent purity.

Chromium was also discovered in the same area, but in relatively small quantities. Hence its commercial exploitation was decided upon only after a thorough study. Mining is expected to be started by the end of 1982.

In addition to copper and chromium, the available geological data indicates the existence of several other minerals like iron, manganese and nickel.

CSO: 4400/170

POULTRY PROJECT TO START PRODUCTION SOON

Kuwait ARAB OIL in English No 12, Dec 82 p 62

[Text]

An ambitious poultry project, being financed by Oman Development Bank, is to start production very shortly. Two big-size farms are under construction at Nizwa and Sohar reported Khaleej Times last month.

The Dubai based daily said that the half-million-rial project will comprise ten air-conditioned sheds. It is intended to hatch 400,000 birds every year.

In 1981, the per capita consumption of chicken in Oman was 16 Kg per annum per one million population base.

Poultry is but one of the many projects being supported by ODB. The bank has been set up to act as a catalyst for private sector industrial enterprises.

Oman's economic activities had been heavily concentrated on traditional agriculture, fisheries and trading for long. But now, with the advent of vastly-increased monetary resources and improvements to basic infrastructure amenities, the government is keen to give industrial sector a leading role in the economy.

The setting up of the Oman Development Bank in 1976 was a step toward this direction. Its main aims are: to provide medium and long-term loans to Omani companies for investment in industry, agriculture, fisheries

and petroleum, to invest in Omani joint-stock companies, and to offer managerial and technical assistance to entrepreneurs.

The bank has an investment capital of 30 million dollars. In 1981, it financed 31 projects at a cost of 17 million dollars of which 15.5 million dollars was for 28 loans and the rest for equity participation.

The bank has financed projects for ice plants, cold storage, cement block making and tile factories and many other industrial endeavours.

Feasibility studies are under way for paint, ice cream, furniture, polythene products, shoes and sandals, fishing nets, steel rolling and many other projects.

"Our primary lending criterion is economic viability", said ODB's industrial engineer Murtadha Mohammed Hasan Fadhil. "We take various factors into consideration, make a thorough appraisal of the relevant marketing, managerial, technical and economic factors."

Before advancing a loan, an analysis is done of the company's balance sheet and the proposed capitalisation. Then, a series of 'sensitivity' analysis is done to determine the effect of possible increase in costs or drop in sales, Fadhil explained.

BRIEFS

PIPELINE REPLACEMENT--A 46-km stretch of the main oil pipeline from Fahud to Mina Al Fahal is to be replaced. The contract has been awarded to Dodsai GMBH. It is worth 5.6 million dollars. The site work will take up to five months but the replacement will be through an eight-hour span. Flow of oil, however, will not be upset. The section being replaced is in the area of the Nihada pumping station where the line is joined by the pipeline from Maemul. [Text] [Kuwait ARAB OIL in English No 12, Dec 82 p 60]

SERVICE BEGINS AT NEW AIRPORT--Al-Khasab, the headquarters of Musandam, came on the civil aviation map of the Sultanate of Oman last month with the landing of an Oman Aviation's 40-seater Fokker Friendship, according to Khaleej Times. Tickets, Muscat-Khasab-Muscat or Muscat-Khasab, are available at the Domestic Service counter of Oman Aviation at Seeb airport. The 90 dollars one way. Travellers from Muscat should register at the Ministry of Interior and the employees and contractors of Musandam Development Committee at the MDC office near Rex Cinema, Ruwi (Tel 704599). At the Khasab end, MDC employees and contractors have to register at the MDC office, others at the Musandam Governor's office. The schedule is: Saturday: Muscat-Khasab 0645 (dep), 0745 (arrival; Khasab/Muscat 0815/0915; Sunday: Muscat/Khasab 0645/0745; Khasab/Muscat 0815/0915; Muscat/Khasab 1630/1730-Khasab/Muscat 1800/1900; Wednesday: Muscat/Khasab 0645/0745; Khasab/Muscat 0815/0915, Muscat/Khasab 1630/1730, Khasab/Muscat 1800/1900. [Text] [Kuwait ARAB OIL in English No 12, Dec 82 p 61]

CSO: 4400/171

BACKING SNUB TO BRITISH WITH TRADE SANCTIONS TERMED UNLIKELY

Paris AN-NAHAR ARAB REPORT & MEMO in English No 1, 3 Jan 83 p 5

[Text]

A diplomatic snub by Saudi Arabia which forced British Foreign Secretary Francis Pym to call off a tour of the Gulf last week sent a shiver through the business community in London, where fears were expressed about orders worth hundreds of millions of dollars, even about a trade embargo.

There is no doubt that the Saudis' refusal to receive Mr Pym was a calculated rebuff to the British Prime Minister, Margaret Thatcher, in retaliation for what amounted to her refusal to meet an Arab League delegation led by King Hassan of Morocco. However, this newsletter has learned that the Saudis do not plan to take further action over what they regard as an unfortunate incident arising from political wrangling in Britain.

A prominent British Member of Parliament with close links to the Saudis told this newsletter that, following what he called "tough negotiations" between Mrs Thatcher and Mr Pym, the Arab League envoys would soon be welcomed to London; King Hassan would meet the Prime Minister, while Mr Pym would confer with other delegation members at foreign minister level. King Hassan, he said, "is being quite helpful."

It was the Moroccan monarch who cancelled the visit the Arab League envoys were due to make to Britain in November after they were charged by the Fez summit to seek out support from the five permanent members of the UN Security Council for the Arabs' Middle East proposals adopted at Fez. His action followed Mrs Thatcher's initial refusal to meet the delegation because it included the foreign affairs spokesman of the PLO,

Farouk Kaddoumi, and her subsequent insistence that King Hassan issue a statement denouncing terrorism.

British fears that the Saudi snub to Mr Pym could lead to trade sanctions were heightened when the London newspaper *The Times* published a letter on January 3 from the Assistant Deputy Minister of the Interior in Saudi Arabia, Prince Bandar ben Abdallah, which said that the "foolhardy" action of the British in "humiliating the Arabs" should not go "unpunished," and that the Arabs should "hit the Westerners where it hurts - in their pockets." Prince Bandar drew a parallel between the present case and the row over the screening by British television in 1980 of the film *Death of Princess*, which depicted the execution of a Saudi princess for immorality. The British ambassador was asked to leave Riyadh after the film was shown and British firms are reported to have lost orders worth at least \$500 million.

Prince Bandar's letter was, however, written on December 10 and not published until this month because of a strike at *The Times*. Interviewed on British radio on January 3, the Prince made it clear, in terms far milder than he used in print, that he was expressing only a personal view.

A senior British official meanwhile told this newsletter that Mrs Thatcher's refusal to meet the Arab League envoys was in direct contradiction to advice from the Foreign Office and reflected a growing struggle between her and Mr Pym. The struggle originated with the dispute that led to war with Argentina last year over the Falkland Islands; Mrs Thatcher, convinced that she had been badly informed by the diplomatic service, has since then appointed a Prime Ministerial foreign affairs aide, something which the official described as alien to British traditions.

"Our whole foreign policy is to involve Palestinians in peace talks," the official said. "We have gone further than any European country and we were very pleased with the Fez summit ... every foreign policy specialist is amazed at Mrs Thatcher's recent position on this issue."

CSO: 4400/169

POLICY ON IMF EXAMINED

Paris AN-NAHAR ARAB REPORT & MEMO in English No 1, 3 Jan 83 pp 1-2

[Text]

Senior officials of the International Monetary Fund were due in Saudi Arabia last weekend to seek a loan of between \$4 and \$5 billion to tide the IMF over until a fresh injection of resources is negotiated with the Fund's member states in the Spring. If the Saudis agree to put up the money it will give them additional authority in the negotiations, when they are likely to side with the US in limiting the size of the increase in quotas, as members' contributions to the Fund are known.

Saudi Arabia agreed in 1981 and again in 1982 to lend the IMF 4 billion Special Drawing Rights (approximately \$4.4 billion) and the Fund has some \$10 billion in available resources today. This is, however, a very slender amount, given the size of assistance currently sought by some of the most heavily indebted developing nations.

The Fund has already agreed to the first part of a financial aid package to Brazil, the Third World's leading debtor, which will eventually total \$6 billion. It has also agreed a \$4 billion credit to Mexico, where a spectacular financial collapse five months ago forced it to seek major rescheduling of its debts, now estimated at \$85 billion; Argentina, Latin America's third big borrower, is currently seeking IMF help which is widely regarded as essential if international banks are to grant the \$5.5 billion in rescheduling which Argentina claims to need.

The IMF's Managing Director, Jacques de Larosière, and the new Chairman of the policy-making Interim Committee, Britain's Chancellor of the Exchequer Sir Geoffrey Howe, were due to confer with the Saudi Finance Minister, Sheikh Mohammed Aba al-Khail, and the Governor of the Saudi Arabian Monetary Agency, Abdelaziz al-Qarashi, last weekend. Before leaving for Riyadh, Sir Geoffrey said that in the talks he would also try to persuade the Saudi officials to back his recommendation that the negotiations on quotas, originally scheduled for April, be brought forward to this month. There is in fact very little chance that the negotiations will be rescheduled as he wishes, but IMF sources in Washington say that they will almost certainly take place next month.

The talks are expected to prove a test of strength between the representatives of the developing nations, which would like to see a very large increase in quotas for the IMF's 146 members, and the US, which wants to limit the increase to about 50 per cent. The figure suggested by the Americans would bring in an extra \$45 billion, but Third World countries still believe that this is not enough to provide them with the financial safety net they need.

The IMF normally lends only to help countries with balance of payments problems and invariably attaches restrictive conditions to its credit arrangements; typically, these conditions include devaluation of the borrower's currency (as in the case of Mexico last month), tighter fiscal policies, and, where appropriate, the elimination of subsidies. For these reasons, IMF credits frequently prove politically unpopular in borrowing nations, particularly since a large proportion of a credit is made up of money which the borrower has previously deposited with the Fund; opponents of IMF arrangements say that it is absurd for a government to be forced into adopting austerity policies in order to use its own money. However, such is the Fund's authority, developing countries with poor economic records now find it hard to raise loans on the international banking circuit without the stamp of IMF approval for their economic policies.

In spite of Saudi Arabia's track record of sympathy with other Third World nations, statements by senior Saudi officials suggest that the Kingdom supports the more conservative attitudes of the US in dealings with the Fund. The US believes that increases in quotas should be limited in the interest of combatting world inflation. In the words of one American official quoted by *Reuters* last week, "this is a time for tip-toeing, not for blundering ahead."

Interviewed during an IMF meeting just over a year ago, the Saudi Finance Minister told this newsletter that Saudi Arabia "has tried to mediate between two extreme positions - between those countries which are for a new allocation of SDRs and a renewal of allocations, and those who oppose it... arguing that this would lead to an increase in international liquidities and contribute to an increase of inflation" (*An-Nahar Arab Report & MEMO*, October 5, 1981). Considerable strains have of course appeared in the world's banking system since then and today even the most conservative cannot deny that the IMF must have a large injection of funds. On other issues, however, Saudi philosophy is closely aligned to that of the US, as Sheikh Mohammed Aba al-Khail pointed out: "The US wants to encourage the private sector to help in the development of countries and these should adjust and improve their internal structures... We in Saudi Arabia believe strongly in the principle of a free economy, provided that what is meant here is that private sector participation is additional to aid given by industrialised countries to the developing countries."

Another area in which Saudi and American ideas coincide is the proposed expansion of the IMF's General Agreements to Borrow (GAB). The US is particularly keen on this proposal as an alternative to what it considers excessive increases in quotas. Interviewed by this newsletter three weeks ago, Sheikh Mohammed pointed out that so far the GAB has been restricted to the Group of 10 industrial nations plus Switzerland and, while he said that "the Saudi Kingdom cannot adopt a specific position on this before having a clear idea of what has been decided," the tone of his remarks suggested that Saudi Arabia would welcome an extension of the programme.

Although the Saudis' commitment to a free economy means that they can be relied upon largely to support American policies (especially in view of their enormous financial deposits in the US), it is far less certain that they will agree to provide the bridging loan which Mr de Larosière and Sir Geoffrey Howe will be seeking. The Kingdom may not be as financially embarrassed as other OPEC members, but the reduction in its crude exports forced upon it by the fall in demand for oil has meant a sharp drop in revenue and reliable reports from Saudi Arabia speak of industrial development programmes there being trimmed, even shelved. There is no reason why the rest of the world should expect Saudi Arabia to finance profligacy, mismanagement or even plain bad luck.

CSO: 4400/169

GOVERNMENT INSISTS IMF LOAN BE LINKED TO HELP THIRD WORLD DEBTORS

Paris AN-NAHAR ARAB REPORT & MEMO in English No 3, 17 Jan 83 p 7

[Text]

Saudi Arabia has indicated it will provide the International Monetary Fund with a loan of more than \$4 billion and participate in an extended General Arrangements to Borrow which will be able to loan money to countries outside the industrial world's powerful Group of 10, according to reports from London and Riyadh last week. At the same time, the reports said, the Saudi Arabian authorities have stressed their commitment to help Third World countries to cope with their debts.

The reports were based upon brief statements made by Britain's Chancellor of the Exchequer Sir Geoffrey Howe at the end of a weekend visit to the Saudi Arabian capital for talks with Finance Minister Sheikh Mohamed Aba al-Khail and other officials. Sir Geoffrey was acting in his capacity as head of the IMF's Interim Committee, the Fund's main policy-making board between its annual meetings, and he was accompanied by IMF Managing Director Jacques de Larosière. The latest talks followed shortly on the heels of a visit to Saudi Arabia by France's Finance Minister Jacques Delors, the current Chairman of the Group of 10, who conferred with Sheikh Mohamed on proposals to extend the General Arrangements to Borrow (GAB); at present, the GAB is a \$7.4 billion facility available exclusively to Group of 10 member states.

No details of the results of the meeting last weekend were made public and Sir Geoffrey would say only that he was encouraged by the "useful and helpful discussions" he had with the Saudi Arabian authorities. But it is understood that the talks went well and that the third tranche of the loan of over \$12 billion which Saudi Arabia agreed to make to the IMF will be forthcoming. The loan was arranged at market rates in 1981 and Saudi Arabia has so far provided \$8 billion in two annual installments.

Reticence about Saudi Arabia's participation in the GAB is very likely due to uncertainty on both sides as to what the Kingdom's exact role will be. The Group of 10 wants to see the GAB's funds expanded to about \$20 billion so that it can broaden the scope of its lending as an emergency fund and wants Saudi Arabia to put up a substantial amount of this new money. But Group of 10 countries are reported to be still talking among themselves over how much the industrial countries will contribute to an expanded GAB.

Nor is it yet clear that Saudi Arabia will seek (or be offered) full membership in the GAB at this stage. Full membership would commit the Kingdom to follow the decisions of a majority of the members of the Group of 10 even if they conflicted with Saudi Arabia's own interests and agreements with other economic and political groupings such as the Gulf Cooperation Council. There have been indications that Saudi Arabia might be offered observer status, which would ensure that Riyadh could make its weight felt when it believed this was necessary without binding Saudi Arabia to observe Group of 10 decisions.

The reports of Saudi Arabia's reiteration of its commitment to the Third World could be a pointer that Sheikh Mohamed and other Saudi Arabian leaders are thinking along these lines, although any conclusions must be hedged with caveats at this early stage. The Group of 10 is to meet in Paris on January 18 and the reports from London said Sir Geoffrey was then expected to recommend that the next meeting of the IMF Interim Committee be brought forward to early February in the light of what the Saudi Arabians told him last week.

CSO: 4400/174

STOCK EXCHANGE DECISION PENDING STUDY

Kuwait ARAB OIL in English No 12, Dec 82 p 56

[Text]

Ministry of Commerce Undersecretary Dr Abdul Rahman Al-Zamil said in a recent interview that Saudi Arabia would delay a decision on setting up its own stock market until 1984, pending completion of a thorough study of the issue. He acknowledged that stocks are being traded unofficially throughout the Kingdom, but said the time is not yet ripe to institutionalize the process.

The reasons are two-fold. The Ministry of Finance and National Economy apparently feels that the number of shares currently on the market is insufficient to warrant a full-fledged stock exchange. Secondly, public awareness of the ins and outs of trading is also insufficiently developed for the venture to work as it should.

No one disputes the potential value of a Saudi Arabian stock market, and the government in fact encourages the present embryonic exchange. Stock trading not only provides a much needed domestic investment outlet, it serves as a booster to national companies. There are more than 40 Saudi firms

now traded in the Kingdom with a total of more than 368 million shares. These firms have a paid-up capital of some 12.5 billion dollars, and authorized capital of 13.8 billion dollars.

The question is not whether to set up a stock market, but rather how and when. The market must be set up in such a way as to provide maximum benefits to the economy without encouraging wasteful and potentially dangerous speculation. Kuwait's recent difficulties only underline the risks of an insufficiently prepared and supervised stock market venture. Kuwait's liberal trading climate, which allows the use of post dated checks for stock purchases, was abused by hundreds of investors who overextended themselves and ended up deeply in debt. The consequences, particularly for smaller Kuwaiti investors and institutions, may be severe.

One good thing may come out of the Kuwaiti crash: The ways and means to avoid repeating it, both in Kuwait and in neighbouring countries that may follow its lead in setting up stock exchanges.

CSO: 4400/171

REVISED PLANS FOR JUBAYL PETROCHEMICAL PLANT REVEALED

Paris AN-NAHAR ARAB REPORT & MEMO in English No 1, 3 Jan 83 p 5

[Text]

Saudi Arabia last week announced that it had signed an agreement involving a Japanese company in the construction of a new petrochemicals plant in the Red Sea port of Jubail; the factory, an ethane cracker, is a substitute for a polyethylene plant project which was shelved after the US firm Dow Chemical withdrew in late November.

The new agreement was signed by the Saudi Arabian Basic Industries Corp (SABIC) and Chiyoda-Petrostar, a Saudi-Japanese joint venture. It includes a preliminary contract for the design, engineering, procurement and construction of the plant. No details were given of the value of the contract in SABIC's statement, published by the official Saudi news agency.

The statement said, however, that the ethane cracker would be completed within 28 months, six months earlier than the deadline specified in the original agreement with Dow, signed in May 1981.

SABIC's Vice-Chairman Abdul Aziz al-Zamil said in December that the corporation planned after Dow dropped out of the 50-50 joint venture for the polyethylene plant to go ahead with full Saudi ownership of the complex; but he hinted that SABIC might bring in foreign companies to help with the construction, and reports from Bahrain last week suggested that Chiyoda had been selected after winning a series of major deals in Saudi Arabia in recent months.

These include a \$ 730 million contract to build another petrochemicals plant at Jubail and a \$ 100 million order for an air separation plant to produce oxygen and nitrogen.

Dow is reported to have paid \$ 26 million in separation fees for withdrawing from the joint venture, which originally included plans for the production of 180,000 tonnes of low and high-density polyethylene per year. The American firm was anxious to improve its debt-equity ratio and was also reportedly concerned about the balance of petrochemicals and special oils in the plant's yield at a time of international over-capacity for petrochemicals. (*An-Nahar Arab Report & MEMO*, December 6, 1982).

The Deputy Chairman of the state-owned Saudi hydrocarbons group Petromin, Abdul Latif Sultan, meanwhile announced last week that the company's refinery at Rabegh on the Red Sea coast was 52 per cent complete. When finished the refinery is designed to process 325,000 barrels of crude per day, producing 75,000 bbl of naphtha, 36,000 bbl of aviation fuel, 156,000 bbl of fuel oil and 47,000 bbl of diesel.

The refinery will supply fuel to a cement factory and a thermal power plant designed for Rabegh. Quays will be built to load and offload petroleum products from tankers of up to 500,000 tonnes.

CSO: 4400/169

NEW DESALINATION PLANTS

Paris AN-NAHAR ARAB REPORT & MEMO in English No 2, 10 Jan 83 pp 8-9

[Text]

New water desalination plants due to be completed during the first three quarters of 1983 will raise Saudi Arabia's capacity to produce fresh water from the sea almost fourfold, the OPEC news agency reported from Riyadh last week. By the end of September, *OPECNA* stated, the number of desalination plants would be increased from 19 to 30, with a combined output of 557 million gallons of fresh water per day. Present output is 152 million gallons a day.

The biggest desalination plant due to come on stream in 1983 is at Jubail, where a combined water treatment and power plant will provide 205 million gallons of fresh water daily. At the same time, the output of electricity from Jubail will be raised from 380 Megawatts to 4,900 Megawatts, of which 1,000 Megawatts is to be supplied to the Jubail industrial complex.

According to the Saudi Desalination Corporation, water from Jubail will be pumped to homes, industries and farms and some 135 million gallons of the plant's daily output is to be pumped to Riyadh, 450 kilometres away, in two pipelines.

Water, not oil, is Saudi Arabia's most valuable resource, according to the Kingdom's Agriculture Minister Abdul Rahman ibn Hassan al-Sheikh. Speaking at a recent conference of oil and agribusiness executives, Dr Sheikh cited a decade of government investments in water supply and conservation projects aimed at developing agriculture in Saudi Arabia. The current third five-year plan, which is due to end in 1985, has projected an expenditure of Riyals 72 billion (\$21 billion) on water resources and agriculture.

In the Agriculture Minister's view the most important conservation measure being implemented by the government is the introduction of recycled water on a large scale. The country's first sewage treatment plant is approaching completion in Riyadh, with a planned daily output of 200,000 cubic metres (43 million gallons). This water will be used to irrigate farms in the Riyadh region. Six other localities, including the Holy cities of Mecca and

Medina, are to have water recycling capacity by the end of the century, according to the Planning Ministry. Recycled water is to account for 15 per cent of the Kingdom's annual water supply by the year 2000, an amount equal to 986 million cubic metres (216 billion gallons).

Desalination is of course also crucial to the country's plans, and a chain of more than 20 desalination plants using water from the Gulf and the Red Sea is to provide 25 per cent of the water supply by the turn of the century. In addition, 42 dams for controlling seasonal flash floods and storing rainwater have been built and five more are under construction. The country's largest dam, located in the south-west Najran region, was inaugurated last month. Costing \$81 million, it will irrigate 10,000 hectares (27,400 acres).

Saudi Arabia views the introduction of high technology in the areas of water use and irrigation as essential to plans for developing food security, one of the country's top priorities. Currently the Kingdom imports 90 per cent of its food needs to feed its estimated population of 7 million. According to the Finance and National Economy Ministry, \$1.1 billion were spent in 1980-81 on imports of tea, sugar, milk, flour and edible oils, with meat imports costing another half billion dollars. Private sector food imports for the same year have been officially estimated at SR 9.4 billion (\$2.7 billion).

Scarce water is not the only problem faced by agriculture in Saudi Arabia, however: lack of adequate manpower and rural migration has promoted a dependence on foreign labour to carry out the state's plans in the agricultural sector. In the past five years 96,000 farmers have left the land for the cities. To counter this, centres have been set up to train Saudis, and the government provides incentives -- free land, loans, subsidies and equipment -- to small farmers and to those involved in large scale integrated dairy farming and livestock projects. The third development plan calls for disbursement of SR 7.5 billion (\$2.2 billion) in agricultural loans and subsidies. This has resulted in higher production of wheat, sorghum, barley, millet, vegetables, eggs and chicken and may help cut down on imports. Dr Sheikh said he expects a wheat harvest this year of 400,000 tons, compared with last year's 135,000 tons.

Given increased availability of water and technological inputs, prospects for agriculture in Saudi Arabia may be bright. At present only one seventh of the 4.5 million hectares of cultivable land is in use.

BRIEFS

RIYADH PROJECTS--Prince Salman Bin Abdul Azia, Governor of Riyadh, who inspected the progress of work on different projects in Riyadh recently, was briefed on King Khaled International Airport project which will have a capacity to receive 10 million passengers annually. The project also included a parking place with shed to accommodate 7,700 vehicles and 3,200 vehicles without shed, an observation tower, a water purification plant 295 villas and 219 residential apartments. Prince Salman visited the main office, the computer center and the traffic office as well as the cargo building and other projects. In a statement after the tour which lasted eight hours, Prince Salman said the aim of the tour was to know the progress of work and to keep in direct touch with officials and solve problems, if any, in quick execution of projects. The Prince expressed satisfaction at the projects being executed as per plans. Later, Prince Salman told newsmen that some of the services such as electricity and telephone will shortly reach the people, especially in the new localities. Necessary financial sanctions had been given and it is only a matter of time to complete the works. Abdullah Al-Nu'aim, Mayor of Riyadh, expressed happiness at the visit. [Text] [Kuwait ARAB OIL in English No 12, Dec 82 p 54]

IMPORTS FROM TURKEY UP--Exports from Turkey to Saudi Arabia in the first seven months of the current year recorded a 121.5 percent rise to 144.2 million dollars from 65.1 million dollars during the same period last year, reported the Saudi Gazette last month. The report said that total exports to the Kingdom this year are estimated to touch 350 million dollars as against 187.4 million dollars the previous year, showing an increase of 86.7 percent. Following a distinct shift in Turkey's recent trade policy its exports to the Kingdom are registering a very fast growth. In 1979 the exports were a paltry 19.7 million dollars. They leap frogged to 43.5 million dollars the following year and reached 187.4 million dollars in 1981 indicating a total growth of 851.26 percent over the 1976 exports. Turkey mainly supplies sheep, goats, mutton, onions, chickpeas, lentils, barley cakes, biscuits, plastic pipes, cotton fabrics, hand-made carpets, ladies wear and aluminium sections etc. Osman Oktay Elgin, Commercial Attache at the Turkish embassy in Jeddah told the Gazette that his country was trying hard to close the trade gap with the Kingdom. He disclosed that import from the Kingdom to his country had also been showing an upward trend. Last year Turkey imported a 410.3 million dollars worth of crude oil and liquid petroleum gas

from the Kingdom. "In 1979 my country had imported only 14.09 million dollars worth of goods from Saudi Arabia which rose to 105.38 million dollars in 1980," he said. "We are making all possible efforts to balance the trade with the Kingdom by exploring new avenues of cooperation," Elgin optimistically said. Giving an example, he said the construction industry was one such sphere where the Turkish entrepreneurs were securing success in the Kingdom. Last year there were only 12 Turkish construction firms in Jeddah while their number swelled to about 40 this year, he revealed. "To give a further fillip to our position in the construction field, we are organising the International Mideast Construction and Municipal Service Exhibition at the Jeddah Expo Center from November 4 to 10," he said. Turkey, basically an agricultural country, is also making attempts at gaining firm ground in the fruit and vegetable market in the Kingdom. "In fact some of our farm products are re-exported from Jeddah to Jordan and Lebanon," he said. [Text] [Kuwait ARAB OIL in English No 12, Dec 82 p 55]

CAUSEWAY INAUGURATED--The much talked about 564 million dollar Saudi-Bahrain causeway was formally inaugurated last month by King Fahd bin Abdul Azia of Saudi Arabia. In a ceremony attended by the heads of state of the six Gulf Cooperation Council (GCC) members, King Fahd unveiled a plaque mounted on a massive four meter high block of white limestone providing a fitting reminder of the practical benefits of interstate cooperation. The unveiling ceremony took place on Umm Nasan island where the contractor, Bandar Ballast, has set up a plant to prefabricate concrete sections for the causeways 12.5 kilometers of bridges. [Text] [Kuwait ARAB OIL in English No 12, Dec 82 p 55]

INVESTMENTS IN LONDON MERCHANT BANKING GROUP--Prominent members of the Saudi Arabian Royal family and other Saudi investors have been persuaded to invest more heavily than originally anticipated in a London merchant banking group, the Financial Times reported last month. The original idea, first put forward in September, was that Saudi investors would take an 18 percent stake in the ambitious merchant banking and investment management group, Aitken Hume Holdings. It would have cost the Saudis 2.6 million dollars at present rates. The 16 Saudi investors involved are now going to put in four million dollars to take their holding to 19.2 percent of the total, the paper said. [Text] [Kuwait ARAB OIL in English No 12, Dec 82 p 56]

OIL FROM ITALY--Saudi Arabia is reported to have signed an agreement to direct sales of crude oil to ENI, the Italian state-owned hydrocarbons corporation. An American business journal stated the agreement, reached in Rome following seven months of negotiations, did not set a level for the sales but guaranteed Italy oil supplies "sufficient in proportion to its crude oil needs." [Text] [Kuwait ARAB OIL in English No 12, Dec 82 p 56]

EXPANSION IN LIGHT INDUSTRIES--The expansion in the light industries in the Sultanate of Oman during the last four years has been phenomenal, according to Khaleej Times. The term 'light industry' includes furniture, other wood products, food processing, plastic products, printing, intermediate goods needed for the construction and allied industries, steel pipes and ice-plants. Mostly, the private sector is involved in the light industry.

According to commerce and industry ministry sources, 532 Omani-owned industrial firms were registered by the end of 1980 and 237 more were added in 1981. Nearly 207 million dollars were invested in light industry by the private sector between 1977 and 1980. The projected investment for the 1981-85 period is 705 million dollars. The government has provided a great deal of incentives to the private sector like tax exemption, concessional loans, and state participation in equity. The royal decree in late 1980 brought a new type of direct government support. A sum of 405 million dollars was allocated in this context, 48 million dollars as grants and the rest in interest loans returnable in 20 years with a five-year grace period. The program is to boost projects engaged in agriculture and fisheries, mining and handicrafts. By the end of 1981, 12 million dollars in grants and 327 million in interest-free loans had been disbursed. A 60 million dollars allotment to Oman Development Bank was another indirect government support for the private sector. Apart from these, the five-year plans provided for the expansion of infrastructure and service facilities at the Rusayl Industrial Estate where a number of service plots have been earmarked for the private sector. The objective of such government support is basically to establish projects of commercially viable nature as also to encourage export-oriented or import-substitution projects, especially those utilising domestic resources like limestone, cement, petroleum products and clay. [Text] [Kuwait ARAB OIL in English No 12, Dec 82 p 61]

NEW LUBRICATING OIL PLANTS--Saudi Arabia's state-owned Petromin hydrocarbons and minerals company is to build two new plants to produce lubricating oils, each with an annual capacity of 1 million barrels, the OPEC news agency reported last week. The plants are scheduled to go on stream in 1985, OPECNA quoted a Petromin official in Jeddah as saying. The official added that a technical study had been prepared for plans to raise the output of the existing plant for lubricating oil at Jeddah from 500,000 bbl to 1 million bbl a year and that a similar project was underway to boost the annual capacity of the lubricating oil plant at Riyadh from 175,000 bbl to 500,000 bbl. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 2, 10 Jan 83 p 12]

CSO: 4400/171

CAUSES, RESULTS OF SOVIET STALEMATE REVIEWED

Colombo DAILY NEWS in English 8 Jan 83 p 4

[Article by Alain Cass]

[Text] THE TANTALISING possibility of a political solution to the crisis in Afghanistan — which burst upon the world three years ago this week — has evaporated only a month after it was tentatively raised by Mr Yuri Andropov's accession to the Kremlin leadership.

There is, as yet, no sign of the "new flexibility" which President Zia ul-Haq of Pakistan spoke of after meeting the new Soviet leader. On the contrary, the new Soviet régime insists that the situation in Afghanistan is "irreversible." Mr Babrak Karmal, the puppet Afghan leader installed at the time, echoed this in Moscow recently.

Over 100,000 Russian troops are still fighting south of the Oxus river; so far they are believed to have suffered an estimated 12,000 dead or wounded. The scene in the capital, Kabul, and its airport appears much as it was on that Sunday after Christmas in 1979 when the first foreign correspondents witnessed the full might of the Red Army imposing its will on a confused and angry population.

Mr Andropov may still choose to pursue a political solution. But, for the time being, all the evidence suggests that Moscow views Afghanistan in the same light as the predominantly Muslim Soviet Asian Republics brutally subjugated 60 years ago. Once external support for the guerrillas ceases, that will be the end of it, and Afghanistan will be absorbed into the Soviet empire.

After three gruelling years of trying to subdue the tough, xenophobic tribes who live in this rugged country close to the oil-bearing regions of the

Gulf and the warm waters of the Indian Ocean, the Russians have failed to achieve their objectives. Even Russian diplomats reluctantly admit that the military situation is now one of "rough stalemate."

The Russians control the capital, Kabul, and most of the provincial towns much of the time. They are able to keep their lines of communication open, at least in the day, assuring a continued flow of natural gas from Afghanistan to the Soviet Union and some movement of goods.

The resistance controls most of the countryside, keeps up a steady harassment of Russian and Afghan army convoys on the major highways and is mounting an increasing number of terrorist attacks within the big towns, including Kabul itself.

The day-to-day war consists mostly of small incidents with limited casualties on both sides, punctuated by the odd major engagement such as the recent battles for the Panjshir Valley, east of Kabul, in which repeated assaults by large numbers of Russian ground and airborne troops backed by armour, artillery and gunship helicopters failed to dislodge guerrilla strongholds. There have been some notable Russian successes but not many.

Since the invasion which was conducted on conventional lines, employing airborne units, tanks and classic infantry assault tactics, Russian forces in Afghanistan have switched to emphasise helicopter attacks, the use of small, fast, highly

mobile units, the use of tanks as artillery support instead of mechanised units and a much greater degree of decentralisation in command structures.

The counter-insurgency tactics which are now evident appear to owe something to the American experience in Vietnam. This is especially true of the widespread use of the Mi-24 Hind D gunship helicopter. Small, mobile engineering units are widely used to mine passes into Pakistan, while flame-thrower tanks are employed to flush out guerrillas from caves in mountain areas where snipers are admitted to be a serious problem.

One of the most frustrating Russian failures in Afghanistan has been the inability to establish the writ of the Karmal régime and achieve a truce between the two principal factions of the ruling People's Democratic Party.

This deep-seated and characteristically Afghan blood-feud dates back to the late 1940s. The present Afghan leader heads the so-called Parcham faction while his predecessor, who was overthrown and killed when the Russians invaded in December 1979, headed the numerically superior Khalqi faction.

These problems are compounded by large-scale defections to the rebels from the Afghan army which is now down from its theoretical strength of 100,000 to well below half that number. Afghan army defectors will switch sides because of tribal, ethnic, regional or religious affiliation.

This mosaic of loyalties also



bedevils the Mujahideen—the guerrillas—who have made virtually no progress in the past three years in forging a united political front to negotiate a settlement, if it ever came to that, or in co-ordinating their military activities.

These fundamental characteristics of the Afghan resistance—its fractiousness and its intensely Islamic character could ultimately prove to be the most difficult obstacles to a political solution.

The only existing basis for such a solution is the UN formula which calls for a withdrawal of Russian troops, the restoration of an independent and non-aligned Afghanistan, the right of self-determination of the Afghan people and the return of the refugees.

In fact, it is Utopian and both Pakistan and the Afghan resistance have come to accept that any regime in Kabul would have to be sympathetic to Moscow while the Russians are

understand that governing Afghanistan without the consent of at least most of its disparate tribes is impossible. That much progress has been made.

A solution, therefore, involving a phased withdrawal of Russian troops with a return of the refugees and a pro-Moscow coalition in Kabul might theoretically, be possible.

In reality, this seems highly unlikely. All attempts to unite the rebels have so far failed. None of the factions has what might remotely be described as a political programme. Feudalism is both the bond and the barrier. Even if Iran, Pakistan and Kabul could find a workable compromise, the chances that they could carry the rebels with them are remote.

"The future leaders of the resistance will emerge from the trenches. It's as simple and as complicated as that," says one observer in Peshawar.

GENERAL ERSHAD'S 5 DEC SPEECH TO THANA OFFICERS

Dhaka THE BANGLADESH OBSERVER in English 7, 8 Dec 82

[7 Dec 82 pp 3, 6]

[Text] Following is the English rendering of speech of the Chief Martial Law Administrator, Lt Gen H.M. Ershad, made before the thana level officers at Shilpakala Academy auditorium on December 5, reports BSS.

My colleagues and gentlemen, Assalamu Alaikum.

I do not know whether any of the heads of government had a chance of speaking to such a large number of colleagues previously. It is the blessings of the Almighty Allah for providing me the opportunity to exchange views with you and speak to you all. Today one have you invited here to apprise you of the present situation in the country and to discuss with you as to how to face this situation. This country belongs to all of us. We have responsibility to the country and the people because we are government servants. We have taken up government service to look after them.

On October 24 last when I announced the opening of the new thana project I prayed to Allah so that he gives us enough strength to implement this project. On that day we sought blessings from Him to keep the light of hope burning and so that it was never put off. Today I have got the opportunity once again to speak before you on the same subject. When are you going, why are you going and what is your responsibility. Maybe what are the responsibilities of a government official is written in the book, in the rules of business. I do not want to question as to what extent we, the government servants, have discharged our duties in the past.

If we would have discharged our responsibilities properly then the country would not have faced the present situation. Maybe we would not have become the poorest country of the world. Who should blame whom for this? We must not blame our fate. Allah has said, "I help that nation which helps itself. I do not destroy that nation so long it does not destroy itself. So the faults are with us. We failed to discharge our duties and we also failed to remain steadfast to our duties. So the time has come to complete our duties and to do something for those lakhs and crores of people who were neglected for the last 30 years. If we cannot fulfil this objective, then there will be no scope for us to keep our head high as a nation.

I myself have inaugurated six upgraded thanas out of the 45. In the meantime I have visited two of them. I feel that the government employees who have gone there are still confused. They are still to get a sense of direction. They are yet to understand why they are there. I have given you the responsibility. You will have to take up projects for the benefit of the people of the thana where you have been posted. If you cannot do anything and if you need the help of the government you can always seek assistance from it. Don't think of your chair table and dress only. You will have to go to the villages and to the people who live there. You will have to find out what are their problems and you should prepare projects accordingly. These projects should be implemented on the basis of priority. Only then the overall improvement of the people could be achieved.

If you remain dependent on Dhaka, the objective of achieving the improvement in the lot of common man will never be fulfilled. Wherever I went, I was told that there were no seed, no fertiliser and there was scarcity of water. Agricultural loans are not available and insecticides are also not available. I cannot solve these problems because these are not lying with me. They are lying with you. Seeds, pesticides, fertilisers and agricultural loans are lying with you. If you cannot provide these things to the people, there is no necessity for you to stay there.

The price of kerosene oil has increased manifold and is now selling at Taka 10 per seer. We were helpless. We had no way but to increase the price of kerosene though we were mentally hurt. There was no alternative. I know the people are suffering, but is there really no alternative? Here in Dhaka there are renowned scientists and scientific organisations. Can't they evolve an alternative? Why they can't, because we have no feelings for the countrymen. We are not aware what the people are wearing and eating or what is the condition of their living. Today we are no more village-oriented people, we have turned into urban-based citizens. The feelings for the people have been erased from our mind and so are the love and sympathy for them.

We the government servant cannot improve the lot of the rural people so long as feelings for them are revived in us, so long we begin to love them. So the responsibility is yours. I have told the other day in my speech that you will be the vanguard in this regard. At least 16 to 18 officers are now available at the thana level under the new administrative system that we are going to implement. There were postings before but the officials used to cancel that by manipulation to stay back in Dhaka.

There is therefore no necessity for you to be a government employee and the government had no need to maintain you on its payroll. I feel sorry when I hear such complaints from the people. So I like to tell you and request you to go to the side of the people, understand their condition and try to solve the problems and remove the inconveniences the people are suffering from. Then only the lot of the rural people can be improved.

I have told the Zonal Commanders to develop five ideal villages. What do we understand by an ideal village? An ideal village means a village where there are roads the people can walk on and can carry goods to the main road or to the town even by cart. An ideal village means a village where there are ponds which are derelict, but abound in fish. An ideal village means where there are some arrangements for sanitation and people do not shit or urinate here and there to make the environment unhealthy. An ideal village means where there are schools for educating the children and if possible, where there is a college. An ideal village does not mean any more. It means a village where the peasants get seeds and water in time of need. Is it impossible for us to provide the villages with these things? Can we do that? I like to see and so have given responsibility to our military commanders to develop five ideal villages to prove how the people can lead a good and healthy life. We have heard of bio-gas many a times.

Dhaka alone is not Bangladesh. Rather Bangladesh means 68 thousand villages located outside Dhaka. Therefore, you have to go to that thana outside Dhaka. You have to change your suits and trousers. You have to wear lungi and stand by the rural people. Only then you could improve the lot of the rural population, but not before that. Restore the sense of feelings for them. Restore your love and feelings for them. So it is my advice and request to you that it is our last attempt, last efforts to save the country. Do not let these efforts be futile. Bangladesh could not be saved if the rural population are not saved. Because there are now starvation, famine and injustice in Bangladesh. How long will these continue? How long will the people tolerate them silently. One day they will revolt. One day they will bring about a revolution. We all will be washed out. None of us will remain. We must wake up before the coming of that day. We have to reactivate ourselves. We have to understand our responsibility and act accordingly. If we can, if you could improve the condition of the rural people, only then the country will survive. I want to tell you one thing that today five to ten lakh uprooted people are moving round Dhaka. They are pulling rickshaws and begging in roads but why? I have said time and again that there is lack of security in villages. Everything is lacking. If you restore the congenial atmosphere in the villages, if you could make the rural areas beautiful these uprooted population shall not rush to the urban areas.

They will not ply rickshaws and they will not come for begging at the doorsteps. They will not move from door to door for a meal. They will return to their villages. We will then be saved. The city is saved and there is progress of the country, progress of agriculture as well as overall development.

Who could do all these? It is you who could do all these. There is lack of security in the villages. There are police in every thana, every village and every union, but why is there a lack of security? Are we not able to perform our duties properly? So it is my request to you, advice to you, to perform the duty entrusted to you through our own efforts and without looking at others.

Seeds have to be brought from the Government. Tell the relevant person in this regard. Try to bring the seed yourself. Do not sit idle looking at us. If you sit idle you are not being able to perform your duty. Wherever I had gone they say, sir, we have sent letters. Writing of letters does not get the work done. The days of getting the work done by letters have gone. Now work has to be done practically. You have to work side by side with the people. If you remain idle after writing letters it will take six months to get the answer. The letter will be lost in the files at the Secretariat. But the fate of the people is in your hand and that fate of the people could not get lost. You are the controller of that fortune. Therefore when you have taken the responsibility of the fate of the people you have also to shoulder the responsibility to find out the letters. Even if the letters are lost, the people could not be lost simultaneously.

We have to save the people. Therefore we have to carry out practical work with the rural population. You will face lot of problems. Suppose only one month has passed, maybe you have not yet received the budget--but all responsibilities will be given to you. Where there are various departments each one will submit its own budget. That budget will now be kept under the Thana Executive Officer. There will be a Thana Planning Budget Officer. He will make your planning as to how the money will be spent. You will do everything.

If you undertake programmes according to that budget and if you implement those programmes under the plan, then there will be development of the thana and progress of the villages. Perhaps you have not got the budget. You will get the budget soon. We are trying to build houses for you where there are no accommodation for you. You know, we have built a model. Work has already started. We are trying to construct roads where there is no road. But there are many problems with the budget. The problem of money. It will take time. But Rome was not built in a day, so nothing could be built in one day.

The thana will develop gradually. Villages will grow if we sincerely believe that we want to ameliorate the condition of the people. If we believe that sincerely then there is nothing which we could not achieve.

First faith has to be established. You must have the conviction that the lot of the nine crore people in the 68 thousand villages could be improved through you. Then you will see that you get inspiration in the work which you are doing. You will be encouraged and you will get inspiration when the rural people will achieve progress.

When these people die out of hunger at your doorstep, when they come to the courts and go away helplessly, do you not feel for them? You may have a happy life but he is also a human being. He is also my brother, your brother. Do we have no responsibility towards them? Yesterday I came back from China. I was asked at the airport, will you say something on the misbehaviour and misconduct of the students towards their teachers. Students are misbehaving with their teachers. We had not done that. We respected

our teachers, placed them after our parents. Why do not they do the same. Whose fault is it? The fault is ours. The fault is with the Government servants in our society. We failed to employ them. No arrangement has been made for their future employment. No arrangement is made for their education.

Their future is bleak. How can you expect discipline from them who suffer uncertainties about their future? How can you hope to get respect from them? What do you expect from them? Nothing can we hope. So out of frustration, they are becoming rebels in the society. They are being developed as revolutionaries as their future is dark.

Edn system

So we have to bring about a change in the entire system. Change has to be brought in the education system. I have told you possibly you have not thoroughly evaluated it because we did not feel the need to scrutinise it. Sons and daughters of Government servants, our sons and daughters, anyhow, get a chance for education.

But there are numerous poor children who do not get that chance. Suppose, in the H.S.C. examination three lakh students pass out, but we have accommodation for only 50 thousand in our colleges. What is the fate of the rest two and half lakh. Where they will study? What is the future of their employment? Have you ever thought over it, whether they will grow up as men or rebels. So we are in need to bring about a change in the educational system. I tried to bring about a change in the education system. But enough criticism is voiced on that. But those who had criticised have not thought what is the educational procedure. They possibly have not even read it. What we wanted is that don't we need to bring about a change for the two and a half lakh students who each year become unemployed, having no avenues in the universities or colleges, no employment opportunity. Is it not our responsibility.

This is our responsibility. So I said that I can offer technical education, vocational education after class eight, so that they may possibly stand on their own feet, they might not be burdens on us, on the society or on the parents.

But criticisms have begun before making that arrangement. What do you think? I have read in the newspapers that I am creating a nation of masons, that I have told that higher education will be confined within a limited number of people. I am not creating a nation of masons, rather I am trying to save the nation so that thousands of I.A., B.A. and M.A. students that come out each year without employment avenues can get jobs, work and do not become burdens on the society. I am making arrangements so that they do not become burden on the society. So try to understand the education system. If you go through the system to understand what we are trying to do, you will be convinced that we have no alternative. We have to offer vocational education.

As regards higher education, the doors of university college will remain open. Whoever is eligible will get there, while who are not eligible need not go there they will get technical education so that they can build their own future or go abroad to earn foreign exchange for the nation. Have you ever thought that the H.S.C. examination was held in March, last, but the admission tests are still continuing. Classes have not resumed. Do you know that the classes in the Engineering University will start in November next, after 24 months of the publication of their H.S.C. results. In the Agricultural University classes will begin after 18 months of the H.S.C. results. Dhaka University will start its classes in March next after one year of the results.

For these twelve months, eighteen months or twenty-four months the student will be moving in uncertainty. He does not know whether he will get admission.

He does not know whether he will get a place in the University. He does not know whether he will be admitted into the Agricultural University. He does not know whether he will get a chance in the Engineering University. What do you expect from him? Do you hope discipline from him? Do you expect respect from him?

[8 Dec 82 pp 3, 10]

[Text]

Following is the remaining part of English rendering of speech of the Chief Martial Law Administrator Lt. Gen. H M. Ershad made before the thana-level officers at the Shil Nakala Academy auditorium on December 5 reports BSS.

What you can expect from him? He is a revolutionary he is a rebel so there is no use blaming him. The blame is ours as we could not do anything for them. So we have to do something for them. The examinations at the university were held in 1979 but the results are yet to be announced though the year 1982 is passing away. Whom will you blame? Three years fell out from their lives like flower petals. Whom will he blame for that? Nobody is listening neither we are thinking about their condition. Can he respect you or me? He can not show respect as he is engrossed with his own affairs. He sees his future bleak he has no security of employment in future. So he grew up as a rebel in the society and that is why he raises slogans he raises slogans against the government in the university he raises

slogans against you and me. We did never thought about why he raises slogan. We only use them, the politicians used them. We did not think of their welfare. We have to think of their wellbeing. We have to think about them if we like to save the country, if we like to survive and if we want to secure their future employment. I have many things to say many sad stories to convey. I hope you will share my sad feelings and will realise the sorrows of the people of the country. Then you will see that the problems of the country have reduced.

Austerity drive

I have told about austerity and how the spending of the government can be reduced. I myself try to observe austerity. You know whenever I went abroad I went as a common passenger what no heads of the government of Bangladesh had done. If I wanted I could have gone to China, India and Saudi Arabia by chartering a Boeing 707. But I did not do it, went to China by the Nepalese Air Lines.

That enabled the country to save spending on chartered flight at the same time it created no problems for other passengers. My prestige was not lowered for this. My country is poor. I know it and the world knows it that my country is the poorest. If I go outside chartering aircraft then the spending will be much more and the people will laugh at that besides creating inconveniences for other passengers. There is even example like it that a Bangladesh Birman air craft was taken to Mexico and was kept there for four days without any thinking I always think of the inconveniences thus created to the passengers and of how much we are spending I think ten times before spending even a paise you have also to think of it.

I am telling this only to make you understand. Every paise of the country has a value. We should try to use every farthing for the welfare of the downtrodden. It is required that we spend less. It is the duty on the part of man who are government officials. Wherever we work we must see that the spending has been cut down. I have reduced the vehicular transports for the officers for which there was much criticism. Later we thought of how much has been spending on this transport? Why such spending? Can not we run without it? How many persons have cars in the society? How many persons are capable of maintaining a car? We all know the reason. I went to China where we saw people working from 5 early in the morning till 7 to 8 in the night. They used to return to their home in the dark riding by cycles. May be it is time to start again for office before they could reach home. But they have no complaint as they are working for the upliftment of their country.

Their conditions was much worse than us but today they have progressed more than us. We have to bring back our realisation and revive patriotism we must have a feeling for the resources of the country. What can be worse than to take more care for our personal property than the national resources?

The resources of the country belong to us. You know how many projects we have taken in hand and how many of them are lying unfinished. Be-

cause once the project has been approved and we set our commission we do not at all think of the benefit that a project give to the people or even about the progress achieved for completion of that project. Time has arrived to go into detail of these. Time has come when we all should look into it. You avail of the opportunity that have been given to you to do good for the people of the country. Don't wait for government directives go to the side of the people. Do your duty yourselves. You will get pleasure and at the same time the people will be benefited. There will be criticism of whatever you try to do. But that is nothing new. It is the feature of our national character. I have seen that if you give a ground directive people feel happy to abide by it. There was disorder in the country because of absence of directives. You will see that if you can turn a nasty place into a flower garden the people will not destroy it. This I have seen with my own eyes, even in Dhaka city. People do wrong things in the absence of directives and slowly start to misuse things. You will see that people love to abide by directives if it is correct. We have seen people used to cross the roads at all points but with the introduction of zebra crossing we now find people feel proud to cross road along the zebra crossings. The people have proved that they honour the law. They feel happy to abide by directives.

But the directive will have no meaning if you sit idle after giving the directive and do not monitor whether people are following it or not. So when you receive directives from the government and pass them on to your subordinates you must ensure that they are carried out. If you do so you will see that actions followed and if you sit idle in your office after passing on the directives there will be no work and no development of the country. I have told you of corruption many a times. I also told you that it is not possible on my part alone to eradicate corruption. Your cooperation is required for it. If we all take a pledge that we will not take recourse to corruption and if we start resisting those who are engaged in corrupt practices then you will see that corruption are being

eradicated slowly. Corruption has started again. It is not possible for me to check corruption of everybody. You check it yourselves unitedly. If you do not do it how corruption can be checked? You have to answer to Allah if you ask something from the people who come to you if you take advantage of their distressed condition. You may not have to answer for it in this world but as a Muslim believe we have to answer to Allah. So if you have the faith in Allah and if you are a Muslim do not take advantage of distressed condition of the poor people. Allah does not forgive the person who do injustice to the distressed people. There are many an example in this regard.

I do not want to open that page of history before you as you know it yourselves. When ever there were oppression and wrong on the people and injustice to them, the oppressors were wiped out from the earth. There are such instances in the history of this country in the 13 years history. So, if we again do wrong if we commit injustice to and oppression on the people Allah will not forgive us. Keep this in mind. You could never escape from the punishment given by Allah.

I have said that political freedom is meaningless without economic emancipation. Today we as a nation are realising to what extent this is true. We have brought independence at the cost of three million lives. Their sacrifices are invaluable and could not be bought. But are we able to enjoy the fruits of that hard earned independence? Are we living as an independent nation in every sense of the term? I do not feel so. What is the meaning of this independence when every morning we see that there is no food, no clothes and so on? What has to be done to bring about that economic emancipation our vast manpower has to be utilised to achieve economic emancipation. The huge fertile land that we have should be utilised. I have said our salvation depends on the integration of these two. But who will bring about the integration of these two? I cannot do so sitting in Dhaka. Those who are going to the thanas can do it. You can make such integration between the people and the soil. The path of our economic emancipation can be found through the utilisation of these two.

Economic emancipation is therefore our real salvation. Our real freedom is economic freedom. We shall get the fruits of this hard earned independence achieved at the cost of blood of the martyrs, when we shall achieve economic emancipation. The key to that economic salvation is with you who are going to the villages, with the rural people but not with us.

We shall issue directives shall provide funds shall advise you and "you have to utilise them. If you could utilise all these work according to directives, spend the money properly for the welfare of the people you will then achieve economic salvation. With economic emancipation our freedom will be meaningful. Our sacrifices including the sacrifices of the martyrs will then become meaningful.

I have repeatedly expressed my views on Family Planning as family planning officers you are going to the thanas. Your task is not to sit idle or to sell them pills. Your task is to go to the people and to make them realise what stage we have reached and what will be our future if we fail to check the population explosion. It is very difficult for the illiterate villagers to understand it. We also do not realise, it is not only the task of the population officers or the family planning officers, it is the responsibility of all of us. It will be responsibility of all or you who are going to the thanas to inform the villagers about it.

You must inform them of the grave consequences of the population explosion in the country. Standing by their side you have to make them understand it.

Womenfolk

Then, the women community has come out. I have heard they want freedom from pregnancy. It is our chance. This opportunity must be utilised well. They do not want issues they are oppressed and neglected and insulted in the society. So they do not want to be under our heels under the heels of the males. They want to stand on their own feet. We must create that opportunity for them. If they want freedom from pregnancy and if we can offer that opportunity, we can achieve success easily. But we are failing in giving them that opportunity.

If you tell the village girl to come to the thana travelling five or 10 miles on foot, for

operation she can never come. The opportunity should be at her doorstep. It should be at her doorstep in her village otherwise we shall be failing in utilising that opportunity. So our responsibility will be work on the ground not to depend on distributing leaflets sitting in the office room. So I have taken a two years emergency plan. I can offer many emergency plans but the success can come only through you that is why the future of the country depends on you. Not to me not to the 40 or 50 secretaries who stay in the Secretariate. They are to give orders and adopt plans. Implementation lies with you. So you are the most important men, the most necessary people. You must realise it. You might be lower ranking officers, but you are the most important officers. If you can realise it understand it can really understand the gravity of the thing then you will see that solutions of the problems would be much easier.

Agriculture

I want to give some advice to the agricultural officers here who are going to the thanas. We have given due stress on their responsibilities. Every year we have to buy about 20 to 25 lakh of tons of rice. We have to spend thousands of taka. So I am depending on you we small not buy rice from abroad within the next two years.

If you can assure me in this regard you will be ever remembered by the nation. If you can bring that condition in the country, the people of the country will remember you. They will lift you on their heads. The poor farmers want to do something. Wherever I went, they told me "sir give us electricity we want to run pumps. Diesel cost is high we cannot afford it. We do not find fertilisers, we do not find wheat seeds".

We cannot find insecticides to fight infestation they want to do so but we are not able to help them. What else could be more shameful than this. The poor people have also realised that increase in food production will be good for them as well for the country.

This will enable them to pull on to some extent but we are not able to help them. We do not realise that if the poor peasants could increase their food production it will augur

well for the country. I do not have to buy 20 to 25 lakh tons of foodgrains. I am saving Taka one thousand crore. That one thousand crore Taka if channelised for the construction of roads in rural and urban areas, bridges schools colleges and hospitals. There will be development only if you realise this otherwise not.

There are thousands of officers in the agriculture department. I have heard there are 26 thousand officers. Ask your conscience what work have you done for the country now far you have stood by the side of the rural people to advise them on the way to improve agriculture, to increase production of crops. You have not done so for this I do not blame you because the system that had so long existed was not in conformity with the time. Since the system is not suitable for the present time we are trying to bring about a change in the system and it depends on you. We have to build the thana in a new way, we must save the villages help the rural people improve the condition of the rural masses and we have to ensure two, two-square meals and clothes for them.

If we cannot do so then our wearing of suits and trousers living in urban areas riding cars and building houses will all be meaningless. Because all these starved people will rush to the cities and the foundation of both your and our houses will be shaken. The foundation of our society will be shaken. There will be no foundation.

I told you many things yet many things remain to be said. When you will go to the 56 thanas that are being upgraded and developed remember my words. If you can work there keeping in mind what I have said then you're going there will be worthwhile. If there are any problems I shall again go there and talk to you. But that problem must not be your personal problem like housing or telephone nor the white-washing of your office. That problem shall be the further development of rural roads construction of sanitary latrines or a bio-gas plant and cleaning one's pond for pisciculture. If you fail to solve these problems if you face other difficulties we shall try to remove

them. But not your personal problem leave aside the personal problems.

Remove problems of the rural people your personal problems will then be removed automatically. It is necessary to say one thing here. You may know that the decision I had already taken about the corrupt government officers and employees had caused a sense of frustration among them. A sense of frustration has developed among all of them with the promulgation of Martial Law. To remove that frustration I had decided that I shall form a committee which will examine their cases. Those who will have

reasons for their actions will not be tried and be released. On that basis I have issued notice to nearly 555 officers. I shall tell the other officers besides these 555 that they are not corrupt that they are above corruption and they have nothing to fear. You work with attention with an open mind work for the welfare of the countrymen you will not be punished no such things can happen.

I shall make a request to you that from now on you should not resort to corruption. Let us all promise keeping Allah as the witness that we will not deceive people any more we shall not take advantage of their misery and will not become corrupt. In that case you have no fear of punishment. You can continue your work without hindrance and fear.

I have taken decision that thousands of cases lying for 25 years with the Bureau of Anti-corruption and against whom charge-sheets were issued will be tried in Civil Courts and not in Military Courts. I shall burn the rest of the cases so that thousands of cases as old as 25 to 30 years cannot haunt the people any more so that the people are not disturbed any more. So the unlimited number of cases now lying with the Bureau of Anti-corruption and for which the people are being subjected to pain and suffering and advantage is being taken of their misery will not be here any

more. Those who were charge-sheeted will be tried in civil courts. The 555 officers against whom notices were issued will be given the chance of hearing then steps will be taken against them. Those who are not in this list have nothing to fear. So I shall request you to continue your work without hindrance and fear. Do your work without any fear and work for the country and the poor people. Inshallah I want to complete the reform measures which I have taken with your cooperation. I will do that.

Politics

Then the political process will come. Political process takes time to come but before the arrival of that process we want to present the people of the country with a healthy strong and nice administrative machinery so that it can bring improvement for the people so that any political party which forms Government in future do not face any problem. I want to give an education system under which students will not become revolutionaries or rebels. This system will ensure employment for them so that they can build a bright future for themselves. I want to give such a judicial system under which people will not be harassed. They need not have to sell their cattle, homesteads and lands. I want to bring about such an agriculture reform which I am referring as land reform under which the future of the peasants are ensured. This will ensure proper utilisation of lands which are owned by absentee landlords. The political process will come back on that day when these systems will be established strongly and when the administrative machinery will reach the people. Martial Law does not come to stay forever. Martial Law comes to bring about a change. Martial Law comes when a country is faced with indiscipline and a state of mismanagement so I am telling that we want to make a peaceful transfer of power in a nice way. We want to transfer power so that the people do not face this kind of situation any more so that there is no more bloodshed so that we are not pushed back by an

other 10 years so that the widows are not smitten with despair.

I have told you a lot. We shall meet again. We shall talk again. You know that sometimes I write poems. I write poems when feelings come to me for the people of the country and when my mind is filled with sorrow for them. When I see that we are well off but errors of the people are not well then I write poems. Today I have written one poem for you. The title of the poem is 'Amantran' because I have invited you to give advice and instructions. I want to read it for you.

I know that burning flames
Light up every crest of the
ocean swell
And flaming thirst pervades
The heart of the oppressed
nation.
Do not keep hidden with
care
The invitation we hear again
and again
In the pale light of the dawn
and in the
soothing fragrance of the
shofali.
Drenched in tears and enve-
loped in dreams
It is an invitation to bliss.
Half in sleep and half in
wakefulness
We heard the tune of life
peter out.
The Behag tune is now mute.
I have also learnt of the
invitation
That has come at the end
of the dark night
In the sweet Bhalrab Ragini.
With the beckoning of the
dark blue sea
And at the serene dew-
drenched shore in fall.
When the horizon turns
purple
I invite you to fulfil the
dream of the oppressed
nation.

This was my poem. Its last line was the invitation to fulfil the dream of the oppressed nation. That dream is the dream to live a better life. I am sure from today you will take a vow to make the dream of this innumerable oppressed people a success. Khuda Hafez

BANGLADESH

TEXT OF ERSHAD'S RADIOTELEVISION SPEECH OF 16 DEC 82

Dhak: THE BANGLADESH OBSERVER in English 18, 19, 20, 21 Dec 82

[18 Dec 82 pp 3, 4]

[Text] Following the English rendering done by BSS of the Chief Martial Law Administrator, Lt Gen H.M. Ershad's address to the nation over Radio and Television on the occasion of the Victory Day on December 16.

Dear Countrymen
Assalamualaikum

The great victory Day has come back once again in the life of the nation. We celebrate this Victory Day every year. On each occasion, we recall with gratitude those known and unknown martyrs whose supreme sacrifices have enabled us to win our independence and sovereignty. But have we been able to appreciate the significance of this day with our heart? Have we been able to do something worthwhile to materialise their dreams? We make speeches, arrange meetings, form samities, but what do we actually do? We even do not keep us informed about the conditions of the mausoleums. Scores of struggling people, members of the Armed Forces, BDR, Police and Ansar laid down their lives with the objective of building a happy and prosperous country. The prime objective of that supreme sacrifice and hard struggle was to ensure food, clothing and shelter for the poor and the exploited masses by ameliorating their sufferings. But it is highly regrettable that even after a decade of independence, we could not even achieve an iota of success in that direction. The day has come for us to give accounts. But who will give it?

You are all aware that the Armed Forces had to take over the responsibility of Government on March 24 in an atmosphere of extreme frustration to save the nation from destruction.

You all know the background of the situation in which the reluctant Armed Forces were entrusted with this great responsibility. Immediately after take-over, we inherited a shattered economy, extreme deterioration of law and order situation, socio-political instability and over and above, a crippled society cursed with unlimited corruption and unemployment. At that critical hour we had only the blessings of the Almighty Allah and best

wishes of the nine crore people. With the blessings of the Almighty and taking with us the sincerity and good wishes we are marching ahead to our goal. A great hurdle was before us. Our path was thorny and the century-old obsolete and worn-out administration stood before as a great impediment in the way of progress in an independent and sovereign nation. It was not an easy task nor there was any scope to score anything overnight. Besides, it was an acute problem to save the people from hunger. Naturally at the very outset, we fixed the priority of our job. Our first and foremost task was to clean the accumulated rubbish and introduce a system appropriate for an independent and sovereign nation and immediate steps for improving the lot of the people. That type of system will be people-oriented and not inclined to any individual under which exploitation, injustice and corruption will be stopped, the rich will not be richer and the poor will not become poorer, arrangements for equitable distribution of wealth will be ensured. In our national life, we have been able to take a number of steps in that direction in the last eight months. Compared to the total needs we may not have made big achievements, but whatever we have done in the last eight months was not possible even in a decade. It is needless to mention that whatever we have achieved was due to the active cooperation and sincere assistance of the nine crore people, administrative reorganisation and thana based administration.

After taking over the responsibility of the Government I pledged that I would engage all my energy to ensure the minimum basic necessity for the livelihood for the poor people of the country and would make efforts to make them smile. To achieve that objective I feel in heart and mind that fate of the common people could not be improved without reorganising the worn-out administrative system of the colonial days. Because in a populous and poverty-ridden country like ours, if administration was not dynamic, timely and mass-oriented, any effort to develop the fate of the people will be frustrated like in the past.

The country will not be viable if the rural Bangladesh does not survive. That is why reflecting the hopes and aspirations of the people, decision was taken to take the administration of the country to the doors of the people. In the horizon of socio-economic activity and in all spheres of national life an epoch-making and a revolutionary change has been initiated. By the grace of the Almighty the first commitment of the present Government has been fulfilled.

In the new administrative system thana has been made the life centre of all activity. The main objective of this new system would be to strengthen the socio-economic activity and make it dynamic and attain self-sufficiency in all spheres of life by ensuring wide employment opportunities. Under this system security would be ensured to people and unending enthusiasm would be generated in the minds.

In the process of fulfilling the hopes and aspirations of the 90 percent people of the country a golden dream is being implemented. And through this the struggle for building the "new Bangladesh" has been initiated.

You know that a total of 100 upgraded thanas--45 in the first phase of the reorganisation and 55 from today--are now working as the nerve centre of administration. The upgraded thanas are not only administrative centres rather these will also work as the main nerve centres of different productive, economic and constructive activities. A chairman will head a thana parishad and will be elected directly by people's vote.

He will have enough power and responsibility. The other members of the Parishad will include Chairmen of the Union Councils, Government officials posted at the thanas, three women nominated by the Government and a representative of the Thana Training and Development Centre. Among the members of this Parishad the right to vote will be exercised only by Parishad Chairman and Chairmen of the Union Councils. The officials of the different Government departments and the Thana Nirbahi Officer will play the role of aides.

Under the leadership of the Chairman directly elected by people's vote, the Thana Parishad will formulate and implement the local development plans. The responsibility of the Government officials will be to help ensure proper implementation of the policies and decisions adopted by the Thana Parishad. For their work they will be responsible to the Thana Parishad, that is, to the people. In one word, under this new arrangement the people themselves will regular their own fate and serve as the main source of power. I firmly believe that in the world's history of democracy it is an epoch-making step.

We have noticed with great pleasure the positive reaction of our steps in the field of administration. I have noticed immense hopes and enthusiasm among the people and the relevant officials during my visit to the upgraded thanas. That has helped us to be sanguine about the effectiveness of the steps.

I was happy to see that the officials who have joined in the thana projects have been working with all sincerity and good intentions to implement the new programme. This was no doubt a matter of great hope. Their enthusiasm have inspired us and made us optimistic.

I know the officers are facing some problems in the primary stage in some places and even at times they fail to understand what to do. But I have firm faith that the employees who are the sons of this soil and dedicated will come forward to implement the programme surmounting all the obstacles.

I have directed the Government officers and employees to try to understand the gravity of their responsibility and participate lot of the common people. The budget of the Thana Parishad had been approved in the meantime and will reach the thanas within one or two days. There will be one Planning and Budget office in each of the thanas who will assist in formulating development plan and implementing those.

We have also taken decision that the police officers in charge of a thana where the number of crime will be minimum will be given promotion and also be decorated with national awards.

I have firm confidence that collective sense of participation for building the country will develop among the people as a result of the new system. Inshallah this welfare-oriented and realistic programme for improving the lot of the common people will be extended to the rest of the thanas by the first part of the next year.

Democracy

I have told you earlier that the future process and system of democratisation will take shape through people's direct participation in the reorganised thana-based administrative structure.

The main objective of the new administrative system is to help ensure people's participation in the economic activities. That is to ensure the means of livelihood of the people of our 68,000 villages. Naturally, the efforts for revival of democracy will be meaningful at a later stage if we can attain success at this phase. I have told you many times that we do not want to perpetuate Martial Law permanently, what we want is accomplishment of welfare of the poor and exploited masses and to return people's sovereignty to the people. I am telling you once again with firm conviction that we want to return power to the civilian authority in a peaceful manner after completing the programme that we have taken in hand to improve the lot of the common people. We want to introduce such a democratic system which will be real people's democracy and will ensure overall development of the country.

The country has witnessed many ups and downs during the last eleven years as a result of which the political arena got polluted and politics of killing, violence, clash and anarchy got its root and ultimately resulting in the change of government.

The main causes of failure of democracy in the past was absence of a proper system, institution and administrative machinery. So we have to build up such an effective institution where democratic system can function unhindered without any fear of dissolution. Today necessity for introducing such a democratic system has arisen where there will be no scope for injustice and exploitation and for trampling people's sovereignty.

We want to introduce such a healthy democratic system which will ensure people's participation, reflect their hopes and aspirations and will be helpful in building a strong and self-reliant Bangladesh. Our main aim is to secure that people's elected representatives can lead the administrative machinery. It is needless to say that in order to attain this goal the work should be started from the villages where a vast multitude of the population live.

Elections to the Union and Thana Parishads will be held towards the end of next year. Preparation of voters list for these elections will begin from the coming month. Necessary instructions have already been given to the Election Commission in this regard. After that, elections to the Zilla Parishads will be held to be followed by the elections at the national level.

This democracy which is being initiated from the grassroots level and deeply entrenched in the minds of the people will help achieve real improvement in the lot of the common man. The people will get back their long cherished true democratic rights.

Administrative Reorganisation: Checking of Wastage:

As a result of the administrative reforms, number of Ministries have been reduced to 17 from 42. Similarly, 180 directorates in place of 259 have been materialising the programmes of the government with efficiency. As a result of the reduction in the number of Ministries only, it has been possible to cut down the expenditure by Taka 5.56 crore annually. The number of autonomous organisations after reorganisation have also been reduced to 124 from 155.

The divisional and regional boards have been reorganised and transformed into such organisations which will be capable of materialising the development programmes. Sixty-one posts out of 226 have been abolished while 22 officers were recalled or retired after reorganising the Foreign Ministry. However, new missions will be opened, if necessary, in the national interest.

The most significant success of the policy of checking wastage and austerity was the stoppage of the misuse of Government transports. You will be happy to learn that we have been able to save fuel worth about Taka 14.13 crore in foreign exchange on account of Government transport for six months from April to September last, as a result of the steps taken by us. From this you will understand clearly what a huge amount of national resources were wasted in the past.

The Council Committee on Government Service has prepared seniority principle and gradation list of the Government officials in different fields after working for 60 hours in 17 meetings. As a result of this it was possible to start a system of giving promotions on the basis of merit and seniority which was withheld for 6 to 7 years. Meanwhile, a good number of officers have been promoted at different levels.

Seniority policy of the pool and other cadre services of the Government has been determined after amending the Senior Pool Service Ordinance of 1979. As a result the sense of frustration and despair among the government servants was removed. For the first time in 10 years future uncertainties of the 180 officers belonging to industrial management service have been removed by absorbing them in different cadres.

Eight thousand Government employees have been suffering from a sense of uncertainties about their services and salaries because there was no employment procedure for many posts in the past. The present Government has so far finalised employment procedure for 16 posts and employment procedures for 21 more posts will be finalised soon.

Time scales have been introduced at different levels so that the efficient Government employees do not feel frustrated if their promotions could not be given. As a result if promotions could not be given due to some reasons the qualified officers will get salary at the rate of next higher scale. Rules will be formulated soon to attract meritorious and efficient officers and employees in the Government activities.

The Government employees will now get pension from the next month of their retirement on temporary basis. Arrangements are being made so that pension procedure could be completed within two to four months by removing the present time consuming process.

Officers and employees above 57 years of age have been retired and 225 retired officers who were working on contract basis have also been released.

In the districts the number of ADCs considered redundant has been reduced. New office timing has been introduced and two weekly holidays were provided. Number of casual leave has also been reduced.

Ordinance has been issued for maintenance of punctuality in office. Provision has been made for punishment to latecomers or absentees in office. New forms of annual confidential report and service record have been introduced.

Economic Situation (Ministry of Finance)

You know that in the past a section of dishonest businessmen and profiteers in the selfish interest of vested quarters were able to accumulate a huge amount of black money. An ominous effect of this descended on the national economy because all these black money remained outside the account and so they had no contribution to the economy and the Government was also deprived of getting due tax out of this money. Therefore, we took initiative to recover this black money through Martial Law and integrate it with the national economy.

You will be happy to know that up til now an amount of nearly Taka 370 crore accumulated through illegal means were declared 'white money' and the Government was able to collect Taka 48 crore unpaid tax out of this money. This money will be invested in the development sector by a period of one year.

In the past, the Government used to be deprived of a huge amount of income tax due to complex taxation system of the colonial time. Therefore, we have taken initiative to make the tax realisation system easier by recasting the overall taxation policy and a new income tax law will be promulgated soon. A similar easy system has been introduced for realisation of customs and excise duty and steps were taken to increase the duty by introducing a new baggage rule for the incoming passengers from abroad.

Other aspects of the recast taxation system are: liberalisation of income tax return and method of account, imposition of sales tax after the goods reach the country and reduction of tax for the low income group.

In the interest of increased investments quite a few economic measures have been taken. The steps taken to increase exports include abolition of export duty, exemption of income tax with regard to export and introduction of duty drawback system.

We have taken realistic steps to remove economic disparity to increase domestic production. The steps include imposition of heavy duty on imported items which are manufactured in the country and making an advantageous rate of duty on raw materials.

The other steps taken to increase domestic production include encouragement to sale of national savings bond and reduction of subsidy on commodities in ration, newsprint and electricity and also other economic measures taken by the National Board of Revenue to give incentive to the establishment of industries in the country.

One of the main reasons which shattered our economy in the past was disbursement of a huge amount of loan by various banks in the name of development. It is a matter of regret that those money were utilised in the non-development sector though the sanctions were made in the name of agriculture development or establishment of industry. Therefore, we first reviewed the loan provision system of banks and controlled the limit of money supply and took help of the Martial Law for realisation of arrears of the sanctioned money. Obviously you have noticed by now the good impact of those steps on the national economy. We have effectively controlled the rate of inflation and prices of commodities in the open market are gradually stabilising.

Besides, Bangladesh Bank has taken additional steps as a result of which the bank loan facilities would be expanded in the rural and underdeveloped areas and will contribute significantly to industrialisation. A total of 150 branches of the three commercial banks have been brought under Bangladesh Krishi Bank for expansion of rural agricultural loan.

This is really a matter of happiness that the position of the foreign exchange fund has been improved to a great extent following adoption of some positive economic measures during the last few months and the amount increased up to Taka 430 crore and 83 lakhs as on seventh of the current month. This is undoubtedly hopeful for our economy.

We have also achieved success regarding the functioning of the banks. The total deposit of all the banks including foreign and private and other financial institutions stood at Taka 3,733 crore 90 lakhs as on September 30 due to the economic policy taken by the Government which is Taka 354 crore more than the deposit of the previous year. The nationalised banks and Bangladesh made a gross profit of Taka 101 crore during the first six months after we assumed power. This amount is about Taka 24 crore more than the corresponding six months.

Besides, the question of reorganisation of the entire banking system is now under consideration and its blueprint is almost complete. Encouragement to private bank business selling of shares to the public and autonomy for bank administration are included in this reorganisation programme.

The correct measures adopted for running of the public sector include (a) Capital Reorganisation, (b) Freedom in Deciding the Price, (c) Withdrawal of Subsidy and (d) Competition with private sector regarding loan and receipt of orders.

The important steps which have been adopted for harnessing internal resources include (a) Reduction of Subsidy, (b) Introduction of Land Development Tax, (c) Imposition of Excise Duty on Established Domestic Industrial Products, (d) Imposition of Turn-over Tax on Business and Industries, (e) Profit from Public Sector and (f) Reduction of Expenses and Austerity.

Economic Policy and Planning (Planning Commission)

In the past we had great dearth of realistic outlook in our development planning. As a result, there existed an abnormal gap between planning and implementation. Allocation for the annual development programmes which began in March this year was fixed at Tk. 3,300 crore. Some schemes which were included in this programme were not only unnecessary with regard to national interest but also economically illogical. So after assuming power we set aside this "angel of imagination" and abolished more than six hundred unnecessary schemes keeping in view the national interest and reality. The revised annual development programme came to Taka 2,700 crore and is being implemented from July last. The number of schemes may be further reduced in future if need be. Some schemes would be transferred to thanas.

The system for allocation of funds has also been completely recast for implementing this programme. For the first time the schemes under the development programmes have been divided in two categories: "Most Urgent" and "Not Urgent." Under the new rule, the concerned Ministry will now be able to allocate funds for public sector schemes under "Most Urgent" without approval of the Finance Ministry. Besides, the concerned Ministry can also create temporary posts and continue them for any schemes under the programme. For the first time the project authority has been given some financial power. I firmly believe that the pace of implementation of the schemes will now be quicker with the system being simplified.

We have concentrated on production instead of changing our investment due to resource constraints. As a result, the percentage of investment in direct production rose from 36 to 52.

[19 Dec 82 p 3]

[Text] Following is the second part of the text of speech delivered by Chief Martial Law Administrator Lt Gen H.M. Ershad to the nation over radio and television on the Victory Day:

To improve the system of implementation we have simplified the process of project approval, speeded up the process of placement of funds, given financial powers to the project authorities and have ensured that the money sanctioned in the annual development programme would be available.

At present the work on the revision of the Second Five-Year Plan is nearing completion. The objective of this revision is to set up a mid-term framework and to start work on the next plan. Priorities will remain the same in the revised plan, such as agriculture, population control, education and development of energy resources. However, the projects would be made realistic and positive. Emphasis on rural development will remain and their production-orientation would be more pronounced.

Agricultural Development

You all know that agriculture is the backbone of our economy. That is why the present government has given the topmost priority to agriculture. Forty percent of the entire annual development programme has been allocated to agriculture and rural development head. So much money has never been allocated to one single head in the past.

We believe that we would be able to reach our cherished goal if we could effect a combination of man and the soil. It is necessary to provide the required facilities to the 68 thousand villages to bring about that combination.

That is why we want to bring about a revolutionary change in the field of agriculture. We have decided that we must attain food self-sufficiency within the next two years. We have taken quite a few new steps to attain that objective.

The target for agricultural loans for the current year has been fixed at Taka 800 crore. This includes a package loan of Taka 310 crore under which fertilisers, seeds, pesticides, etc will be available from one place. Besides the procedure for giving agricultural loans will be made easier than before.

We have already taken steps to reach irrigation facilities, fertilisers, quality seeds, pesticides and various other agricultural inputs to farmers. During the current Boro season 35 lakh acres would be brought under irrigation. This is five lakh acres more than the last season. Under this programme two lakh hand tubewells, 47 thousand power pumps, about 15 thousand deep tubewells and 57 thousand shallow tubewells will be pressed into service during the current winter season.

Co-operatives:

In our country where 90 percent of the population live in the rural areas there is no alternative to cooperatives for achieving economic freedom. Because it was not possible to achieve freedom of the poor toiling masses from poverty and exploitation without cooperatives. Therefore the present government is reorganising the cooperatives so that the village people can participate in the overall economic activities of the country and they themselves can improve their economic conditions.

Realising the role of cooperatives in our national development, the government has already handed over a jute mill to the cooperatives and have taken steps to hand over some of the sugar mills to them.

With a view to strengthen the cooperative movement, the government for the first time has introduced this year national cooperative award and already 50 such national awards have been given to the cooperative societies and workers.

Cooperative Laws are being amended to suit the need of the hour and necessary steps have been taken to strengthen the cooperative bank.

Government have already announced a realistic and liberal industrial policy for the overall development of industries as a complementary to the agricultural sector. The aim of this policy was to encourage the private sector for their contribution in the national economy. Reserved industrial schedule have been limited in six sectors only. Concurrent list has been enlarged in such a way that the private sector itself or in cooperation with the government sector can work properly. Under this policy industrial investment schedule has been amended so that the private sector can enjoy full freedom. More than 40 industries have been put under open sector for which no government approval would be necessary.

The efficiency and production in the government sector have increased significantly. Increase of production in textiles, newsprint paper, urea, ammonium sulphate, diesel engine, GI pipelines and other products are examples to that.

Approval of industries in the private sector has been made easier and time limit for approval and allocation of fund have been made specific.

Under the new industrial policy, a number of jute and textile mills have been returned to the Bangladeshi owners and abandoned properties have been disinvested.

A separate cell headed by myself has been set up to encourage foreign investment in the private sector. Its objective is to expedite the approval of setting up of industry under joint collaboration. Besides, a "one-stop service" centre has been opened with the Industry Division to provide facilities promptly to the private entrepreneurs.

the production as well as their employment. We are also keen to encourage the sharecroppers in the field for augmenting agricultural production by preserving their minimum rights. The security of employment must have to be ensured to the farmer who tills land by the sweat of his brow. For this it is our foremost responsibility to fix the minimum ceiling of the agricultural wage.

Local Government and Rural Development

The Local Government bodies could not work smoothly in the past for the lack of correct leadership. We have therefore first removed the Chairmen of the Pourashavas and entrusted their responsibilities with the government officials. Arrangement has been made so that these bodies can carry out their development activities smoothly till the time before election.

We have turned Chittagong Pourashava into a corporation realising its importance and appointed administrators for both Dhaka and Chittagong Municipal Corporations. Besides work on the expansion of the areas of Dhaka Municipal Corporation and Bogra Raishahi Barisal Kushtia Dinai pur Pourashavas has been completed in September. The expansion of areas of 27 more pourashavas is under the consideration of the government.

Youth complex and Gram-Sarkars have been abolished in the national interest and for checking corruption and wastage. Almost the entire amount of more than Taka 50 crore which was advanced to the Gram Sarkar and Union Parishad Chairmen for purchasing paddy had been realised.

The supply of drinking water in Dhaka and Chittagong has been improved. The Demra Water Treatment Project has been taken in hand to meet the demand of water in greater Dhaka.

Aided by the World Bank the cost of this project would be about Taka four hundred crore. Water supply systems in Khulna and Raishahi towns are also being improved. Forty-nine thousand hand tubewells have been allocated in current year for the whole country. This figure is higher than all other years in the past.

Works programme which was in operation on a temporary basis has been reorganised and made a regular wing of the Local Government Ministry. About 51 crore Taka have been allocated this year in this sector which is higher than all other years.

A new Rural Development Board has been formed to strengthen the integrated rural development programme and make it effective. Consisting of the members from the concerned Ministries and organisations and representatives of cooperatives, this high powered board will properly coordinate all the national programmes on rural development.

In 1985 land under irrigation will be increased to 70 lakh acres. Together with this a vast programme is being undertaken to increase the supply of fertilisers. The target for the supply of fertilisers this year has been fixed at ten and a quarter lakh tons. Last year the total quantity of fertilisers supplied was 8 lakh 30 thousand tons.

We have taken up a two year programme to reach quality seeds to the farmers. As a result the supply will increase from the present 18 percent to 35 percent.

We have taken a significant step in the case of supply of pesticides. From now on these very essential agricultural inputs would be distributed through the private sector. Besides a special programme of spraying pesticides before the coming aman season has been taken up as a preventive measure.

We have taken up yet another big programme for significantly increasing the rate of output of Rabi crops. Its aim is to reduce the excessive dependence on rice and wheat.

Satisfactory progress has been noticed in the activities of Bangladesh Agricultural Development Corporation. The rate of progress in the implementation of its development programme which was 57 percent during the nine months preceding the Martial Law stood at 92 percent on July 30.

Besides Taka 26 crore had been spent in the development field of the Fisheries and Livestock Department field of the Fisheries and Livestock Department during the six months from April to June whereas the development expenditure in the same department during the corresponding period of the preceding year was only Taka 7 crore and 50 lakh.

We have made special measures for the marketing of the agricultural production. Besides arrangements have been made to extend loan and other facilities for raising livestock and poultry farms. I firmly believe that we shall be able to bring about a revolution in real sense in the agricultural sector as a result of these realistic steps.

Land Reforms

Land reforms have become urgently necessary to effect revolutionary change in the agricultural sector. There is no denying the fact that neither population growth can be contained nor production increased unless economically profitable and easy land reforms are effected.

The Land Reform Committee has submitted its recommendations to me after seeking opinions from different organisations irrespective of party affiliations on optimum utilisation of lands keeping the right of entitlement of the owners. I assure you that the Government will review the report with due importance and take steps in due time for its implementation. In this context I want to reiterate that the basic objective of land reforms is not taking over the right of entitlement of land. What the government wants is to maximise the productivity of land, ensure the share of the farmers in

High powered committees have also been constituted at the central and regional levels to provide land, electricity, water, gas and other services for the establishment of industries.

The import of 17 industrial items has been banned under the new policy to increase local industrial products. From now no government organisation will be allowed to import without the permission of the Industry Division. Because only those items will be allowed to be imported which are not produced in the country or are not possible to produce.

Special arrangements have also been made to accord encouragement in the field of export-oriented industries. These include sanction of credit for the running capital, guarantee facilities for export credit and removal of procedural impediments.

Greater emphasis has been placed on the growth of small and rural based industries and cottage industry. Necessary instruction has been issued to the concerned authorities to offer the facilities like raw materials, credit, marketing, design and others for these sorts of industries.

You will be happy to note that Bangladesh has already been identified as a fertiliser exporting country and arrangements have been finalised for the export of 85 thousand tons of urea during the current year. We have attained self-sufficiency by this time in sugar production and price of sugar has become stable in the markets. To attain self-sufficiency in food production arrangements have been made to increase the production of diesel engine, pumps and GI pipes. Satisfactory performance has been marked in the nationalised corporations under the Industries Ministry due to the realistic policy adopted by the government. But these corporations had incurred a loss of a few crore of Taka in the past. The chemical industries corporation has been able to earn a profit of Tk. 1.52 crore during a period of six months from last April to September. Similarly, the Sugar and Food Industries Corporation during the same period earned a profit of about Tk. 20 crores. This corporation has earned over Tk. 10 crore through the export of sugar and other food items during the period. The Steel and Engineering Corporation has earned Tk. 100.31 crores including foreign exchange worth about Tk. two crore while the income of the textile mills stands at about Taka one hundred 30 crore.

One of the declared policies of the present government is to bring about development all over country on equal basis. In the past a number of areas were comparatively neglected and deprived of developmental activities. This sort of policy of disparity is contrary to the national interest. So, we are determined to offer national development facilities in all respect to all the areas equally.

Food and Relief:

It is one of the main objectives of the government to reach foodstuffs at the doorsteps of poor people speedily. Arrangements for distribution of foodstuffs have been made through statutory rationing in the big cities and in other places under the modified rationing system.

Decision to make the food administration a dynamic one has been taken with the ultimate objective of attaining self-sufficiency in food. Our policy is to ensure that the private businessmen can carry on their business without any obstacles.

The government is determined to ensure a steady supply of food in the country. We are distributing food in the open market at fixed prices from the government godown to keep the food prices stable. 17 lakh maunds of foodstuffs have been distributed in the last few months under this programme.

In the meantime 12 lakh tons of foodgrains have been imported to meet the food deficit. We have so far imported 86 percent of the projected target of the import from abroad. Inshallah we shall be able to fulfil the balance of the target soon. The price of Aman paddy under the procurement drive has been raised from Taka 124 per maund to Taka 135. Besides the government godowns and fixed purchasing centres foodgrains are being procured through mobile purchasing centres.

Four lakh tons of wheat have been allotted so far under the Food for Works Programme. The power of drawing up programmes and their implementation has been vested with the subdivisional committee under the decentralisation of administration.

Twenty lakh maunds of wheat have been sanctioned during the last three months under the test relief. Foodgrains and other materials are now being supplied to four lakh destitute mothers, old people and children.

The storage capacity for safe preservation and storage of foodgrains has been raised to 18 lakh tons from 16 lakh tons. The government have kept strict watch to check the wastage of foodgrains and issued necessary orders in this respect. Emphasis has been placed on changing the food habit.

Commerce:

The government have taken some effective steps in the field of export and as a result the export earning has been increased substantially during the last eight months. You will be happy to know that our export earning during the last eight months was Taka 811 crore as against Taka 652 crore during the corresponding period of the last year. It is clearly evident that we have been able to increase our export earning by 25 percent in only eight months since taking over the responsibility. It is undoubtedly very hopeful and I firmly believe that shall be able to achieve the export earning target of Taka 1.550 during the current fiscal year.

[Text] Following the third part of the text of speech delivered by the Chief Martial Law Administrator Lt Gen H.M. Ershad to the nation over radio and television on the Victory Day.

The Government have in the meantime taken some measures to give encouragement in the field of export. This included reduction in the rate of interest of bank loans, reduction in custom duty, increased participation in the international fairs and holding of conferences at the private level for sellers and purchasers. It has been possible to secure orders for export worth 40 lakh dollars from such meet in Australia, Kuwait and Saudi Arabia. Besides a comprehensive programme has been taken in hand for increasing the export of fresh fruits, vegetables and spices. A "once-stop service cell" has also been set up to solve the problems of the exporters.

Despite ten percent shortfall in the production of tea due to drought last year, we have been able to increase its export by 30 percent during the last six months. Consequently foreign exchange earning in this sector has increased by 43 percent. Some effective steps have been taken to increase the production of tea.

A new ten-year insurance scheme has been launched for increasing the earning of foreign exchange. This scheme has been introduced for Bangladeshi residents abroad, particularly in the Middle Eastern countries and we have by this time got encouraging response.

Education

Some significant steps have been taken in the field of education. One single curriculum has been introduced for the whole country by integrating the syllabus of the four education boards.

A committee has been formed for setting up of two regional boards by abolishing the four education boards. Of the two proposed boards one each will be set up in the eastern and northern regions.

A new examination system is being introduced at the secondary level. This new system will not only be scientific but also make an easy method to determine the number secured in examinations and their gradation. Arrangements will be made for publication of results within four weeks of the completion of S.S.C. examinations. Arrangements have been made for publication of S.S.C. and H.S.C. examination results by the four boards together at a time so that all students could get equal opportunity for admission in the higher class.

Biographies of Bir Shresthas of the Liberation War have been incorporated in the text books of Class One to Class Six. The responsibility of publication of text books has been given to the associations at the non-government level with a view to preserving the interest of printing and publication industry in the country. The publishers will ensure timely supply of these text books.

The salary of the non-government teachers has been increased by 30 percent and the government teachers are also given 30 percent dearness allowance like other government employees.

The payment of salary and allowances to the teachers has been arranged through banks with a view to making the system free from corruption and check late payment. Now the teachers will get their salary sitting in their own place instead of going from one place to another.

Fifty-five percent of the total allocation in the education sector are spent for the development of primary education. Minimum facilities will be available in all the 42 thousand primary schools in the country.

Text books will be distributed free of cost among all the students of Class One and Two. Text books will be distributed in phases in all classes in primary schools at government expense. School uniform will be distributed free of cost among the students of Class Two.

Everywhere in the country guardians-teachers associations are being established as a result of which each primary school will be transformed into a ward-education centre. This centre will work as a meeting place of teachers, guardians, educated persons of the village development, workers and students.

Training period of the primary teachers will be made two years so that by acquiring good training they could rear up the children with proper education.

A terminal examination will be held at the end of Class Five and those who will attain higher grade in this examination will be given opportunity to study in the next higher class free of cost.

Compulsory primary education system will be introduced in our country by the next five years. Our target for the next five years is to educate 50 percent of the children aged ten years in the country. If our programmes go uninterrupted we shall achieve further better results.

The government's policy is to ensure primary education for all to help them acquire knowledge on subjects related to development programmes in the rural areas.

Preparatory education has been extended up to Class Eight in the secondary stage. Vocational training will be introduced for those who will leave the schools at this stage, their guardians and other people of the society.

Vocational technical and apprenticeship training will be introduced side by side with the traditional general education. The school students will be able to choose vocations at any suitable stage and later will be able to choose vocations at any suitable stage and later will be able to get readmitted to schools to have general education according to their convenience. There will be opportunity for vocational and apprenticeship training after Class Eight.

A separate educational system will be introduced after Class ten. Existing arts, science, and polytechnic courses will continue. Besides, new education courses are being introduced which are as follows: (a) higher secondary technical, (b) higher secondary commerce and office management, (c) higher secondary course in career nursing, (d) higher secondary course in agriculture and a three-year diploma course for printing and graphic arts. All the qualified persons will get the opportunity to return to the educational institutions for higher education.

The industrial enterprises in the country will be encouraged to manufacture educational equipment and there will be arrangements for the students to have training and jobs in these institutions. It will be possible this way to impart technical education in industries and job opportunity for skilled manpower will be expanded.

The SSC courses have been merged and specially combined science course will be introduced from class nine next year.

All the text books are being revised to meet the requirements of the objectives of the national education policy. Eminent educationists and experts are examining the text books and these will be evaluated before final approval.

A nationwide survey is being conducted to collect data and information on all the schools, colleges and madrasahs. On the basis of this survey all these institutions and teachers will be given necessary and appropriate aid and assistance.

Higher rates of fees at the examination centres have been reduced significantly and the number of examination centres reduced to curb unfair means at the examinations. Under this arrangement we have found the good results this year in the higher secondary examination. The percentage of successful candidates in this examination had stood at only 20 excepting the grace marks.

All the notebooks up to class eight have been banned.

Directive has been issued to all the four education boards to issue final certificates to the students during the current year after cancelling the system of issuing the temporary certificate of examination.

The subject on 'job experience' which was a paper in the SSC and HSC examinations in the past has been abolished because it used to encourage corruption.

A competition has been arranged to write text books. In order to encourage the students for their meritorious success, students who have distinguished themselves in the SSC examinations under the four Boards have been given awards.

Six hundred students have been engaged to collect information on the schools so that they can acquire knowledge about the existing education system and at the same time they can earn some money to meet the future educational expenditure. This arrangement is a type of scientific training in the real sense.

Technical and Engineering Education

Regular academic year has been introduced in the four engineering colleges of the country. Admission of students was suspended due to the clash between the students and the teachers during 1980-81.

Short-term and long-term arrangements have been made for development of teachings in the engineering colleges.

Additional grants have been sanctioned to the textile institute and for the first time this year the students have completed the degree course at this institution.

Due to faulty policy and management of the past the polytechnic course at present is lagging behind by two years. Those who got admitted during the current session will start classes in 1984. To remove this problem the Government will start second shift next year so that the students of 1981 and 1982 could be accommodated in two shifts at the same time. Through this arrangement full one year gap could be narrowed down.

In the field of vocational education apprentice course of different terms and fixed time courses are currently on. Arrangements are being made to raise the standard of the vocational courses and make it consistent with the terms of formal education.

A project has been taken with international assistance to strengthen technical higher secondary and higher education.

To tie technical education with industrial skill and to widen employment opportunities a project jointly sponsored by the Industries Division and the industrial institutions based on new education service is being taken up.

The Engineering University has been directed to bring down the gaps that had been created in the field of education. Meanwhile, the course programme has been intensified and as a result the delay in starting the classes had been brought down to three months in place of one year.

All degree honours technical educational institutions and universities have significantly minimised the delay in publishing the results so that admissions in the new classes could be completed quickly. From now the universities and the colleges can begin their classes of the current session between January to March. In the past the difference was eighteen months to two years.

University Education

The site of the Islamic University has been changed from Shantidanga Dulalpur to Tongi in Dhaka. Because the previously selected site was not favourable for settling up the university from communication point of view.

The Islamic Education of Research Institute has been merged with [line illegible] University.

For movement of the students a new railway station has been set up at the Chittagong University.

Arrangement has been made to construct a temporary hostel in the Chittagong University for external students.

A girl's hostel is being constructed at Rajshahi University to remove the accommodation problems of the girl students of the university.

Talented teachers are being allowed to work on deputation for their P.H.D. thesis in the national universities.

The enquiry committee formed in connection with the recent incident in the Dhaka University campus has submitted its report.

Culture and Sports

The Government has taken a number of steps to improve art and culture. These included merger of the Performing Arts Academy with the Shilpakala Academy merger of Bangladesh Parishad with the Central Public Library and reorganisation of Folklore Museum at Sonargaon.

A proper and realistic outlook is being evolved for development of national art culture, fine arts and theatre.

Fine art has been included as additional subject in the primary education curriculum. Arrangements have been made to encourage dance-music, arts and drama throughout the country through training courses, competition and by awarding prizes at the national level.

The Government is very eager to improve the standard of games and sports. Necessary money have been sanctioned for building stadiums in different parts of the country and for imparting training to sportsmen. Steps have also been taken for training to improve the standard of our games abroad.

Health

In the field of health the new drug policy is a revolutionary event in the contemporary history. Soon after taking over power the Government formulated a realistic drug policy under which production and import of unnecessary and harmful medicines were banned and supply of necessary and effective medicines were ensured. This realistic policy of ours earned

much praise at home and abroad. The Government has fixed the fees of the doctors for the benefit of the common men. Besides, minimum facilities in the private clinics have been ensured so that patients can get necessary care and treatment in the clinics.

Another important step of the present government in the field of health is that of making compulsory for the newly-passed doctors to work in the rural areas for at least five years to get permission to go abroad.

Onwards all the fees for various examinations in the government hospitals will be deposited with the public exchequer. Previously half of these fees were taken by the concerned doctors. The rate of food for the patients per day in the hospitals has been enhanced from Taka eight to Taka 12.

Arrangement have been made in the thana hospitals to provide of gynaecology, surgery, medicine specialist and dentists. Four redundant medical colleges have been closed down. The quota system for admission into medical colleges has been abolished.

The government has already adopted various measures to achieve the target of "health for all" by the 2000 year AD. The indigenous system of medicine ayurvedic unani and homeopathic is being well-organised on a scientific basis.

Population

We have taken a two-year emergency project on top priority to control population effectively. The main objective of the programme is to bring down the present growth rate to 1.5 percent from the present rate of 2.6 percent. But you know well that the government efforts in this vast field of population control was not adequate. You all must be careful about this. Those who are literate, particularly associated with religious education, should be more active in cooperating with the Family Planning workers.

I will expect them to put in their united efforts to inspire the unlettered population about the necessity of family planning.

Communication

The importance of communication system in our development efforts was immense. A sound and workable communication network was essential for the successful implementation of the thana-based administrative system introduced by us with the objective of building a new Bangladesh. Therefore we have taken a number of important measures in this respect.

The top-heavy administration of the Railway Board has been replaced by introducing a new railway division at the Secretariat level. The Railway has been divided into eastern and western zones with headquarters at Chittagong and Rajshahi. As a result of adoption of quite a number of reform measures in the railway communication, the revenue earnings from the Railway has increased remarkably. During last eight months the revenue

earning stood at Taka 104 crore 15 lakh. Compared to this the earning during corresponding period last year was only Taka 72 crore. The revenue earning increased by 45 percent during this short period.

Moreover, due to strengthening of Railway administration during corresponding period last year was only Taka 72 crore. The revenue earning increased by 45 percent during this short period.

Moreover, due to strengthening of Railway administration during the last eight months, the punctuality of railway traffic has increased the incidence of accidents has come down [line illegible] passenger trains has gone up.

[21 Dec 82 p 3]

[Text] Following is the remaining part of CMLA Lt Gen H.M. Ershad's speech on the occasion of Victory Day.

In the field of shipping we have promulgated four Ordinances with a view to protecting our national interest. Under the new laws arrangements have been made to ensure carrying of at least 40 percent of our export and import cargo by Bangladesh ships. We have been able to earn additional income of Taka 19 lakhs in only six months as a result of amendments to laws relating to lighthouse. Henceforth all Bangladeshi ships will be registered in our country under the laws on registration of commercial ships.

The Bangladesh Shipping Corporation has been thoroughly reorganised. As a result of taking several important measures the Corporation has been able to earn a profit of Taka 3 crore 43 lakh during last six months up to last September. In the preceding year for the same period, the amount of profit was only Taka 2 crore 12 lakh.

Government has taken certain important steps with a view to developing the seaports of Chittagong and Chaina.

For Bangladesh Biman Taka 12 crore and 11 lakh has been spent on five development projects up to last September. For another five projects Taka 11 crore 31 lakh has been sanctioned.

We have undertaken 13 projects for the development of airports under Civil Aviation. The projects include work on development of Raishahi and Svihet airports and increasing facilities in the Zia International Airport.

Five new planes are being procured. A training centre for civil aviation is being set up. Measures have been tightened with a view to stopping plane hijacking.

Taka 165 crore have been allocated during the current financial year for the development and maintenance of roads. Out of this amount Taka forty crore will be spent in phases in the newly upgraded thanas for the construction of road.

There has been an appreciable improvement in management of the Road Transport Corporation. The Government has decided to increase the number of buses within the city area for a speedy and satisfactory solution of the transport problem.

Bangladesh Postal Department

Within this short period, a branch of foreign post office has been opened at Chittagong in compliance with the long standing demand of the people for quick movement of surface mail. Branches of foreign money order post office have been opened at Chittagong and Svihet to expedite delivery of money orders. Seventy-one new post offices were opened and construction of 6 post office buildings have been completed.

Taka 34 crore was received as foreign money order during the last eight months compared to Taka 30 crore during the preceding eight months. The postal department's earnings in foreign exchange was Taka one crore twenty-five lakh earned during the preceding eight months.

The postal service will be expanded and strengthened under the thana-based administration. It is for the first time since independence that a commemorative stamp on the "Bir Shresthas" has been issued by the Postal Department.

Telecommunication

We have also made substantial achievement in the telecommunication sector. During this short span of time 5,800 line automatic telephone exchanges have been set up in various parts of the country and the work for another 13,800 line automatic exchange was near completion.

At present 45 international circuits are working and new circuits with Canada, Nepal and Sri Lanka have been opened.

Telecommunication system in 38 out of the newly upgraded thanas have been improved. New telecommunication equipment have been installed in 23 thanas and work for another 39 thanas has been taken up. Beside this, manually operated exchanges of various capacity have been established in 7 thanas.

Additional revenue earning of Taka eight crore was made in the telecommunication sector during the last eight months compared to the preceding eight months SHM RF FG GF MM [as printed].

Work for expanding the area of direct dialling was continuing and expansion and improvement of teleprinter service has been made.

Tourism

The present Government has taken up a number of development oriented projects to make Bangladesh an attractive place for foreign tourists. These include construction of three motels at Rangamati, Rajshahi and

Svihet. Construction of a big rest house at Cox's Bazar and setting up youth rest houses at Mahasthan Mainamati, Bagerhat and Cox's Bazar and modernisation of sea beach at Cox's Bazar are included in the projects.

Information and Broadcasting

The present Government has firm faith in an independent and responsible press. In view of this the Government would disinvest or return to former Bangladeshi owners the Government controlled newspapers and magazines by February 21 next.

The Management Board of the Government-owned newspapers will be abolished.

The annual subsidy of Taka one crore and 40 lakh on the newsprint has been withdrawn.

A Press Commission headed by a distinguished person has been formed with objective of publication of really free and independent newspapers. An advertisement policy based on justice and equality was adopted.

A Wage Board headed by a High Court judge has been formed for the employees of all classes of the newspaper industry. The Government has already accepted its recommendations on dearness allowance.

A decision has been taken to solve the housing problems of the journalists in the capital by giving land with the support of subsidy to the Journalist Union of Dhaka.

In the past everything was said about the shaheeds but nothing was done in practice. A film on the 'bir sreshta' is being screened on both television and cinema houses on the Victory Day. It is for the first time that the families of the shaheeds are being given newly build houses free of cost under the shaheed memorial scheme.

The Government has given a grant of about Taka fifty lakh to the National Press Club for the completion of the construction of its building within next two months in the interest of professional work of the journalists.

The management of national news agency BSS has been entrusted to a board of directors headed by a renowned person.

Bangladesh Radio and Bangladesh Television have been brought under one management. This would help reduce expenditure and increase efficiency.

The Mass Communication Department of the Government is being strengthened to meet the needs of publicity at thana level.

The reorganised Government Advertisement Cell Audit Bureau of Circulation and Registrar of Publication have been brought under the control of Films and Publications Department.

The training institutions like the Press Institute, National Broadcasting Academy Film Institute and Archives have been merged.

Capital disinvestment from the Film Development Corporation is under the active consideration of the Government.

The National Broadcasting House will start functioning from June next which will have 10 modern studios and one big hall.

With the commissioning of two 250 kilowatt shortwave transmitters at Kabirpur near Dhaka during the next six months, the voice of Radio Bangladesh will reach throughout the world.

One relay station of Bangladesh Television will start functioning at Satkhira from June next for the publicity of television programmes in west and south regions of the country.

Fuel and Mineral Resources

We have also achieved some success within this short period of time in the exploitation of natural resources. The drilling work of Beanibazar and Kamtai gas wells have been completed and presently their production tests have also been completed. It has been proved that the prospect of supply of gas in these two places on commercial basis is bright.

Meanwhile geological survey of Jessore, Kushtia, Faridpur and Comilla has been completed and survey on geological pressure in Khulna is going on.

A memorandum of understanding with the Asian Development Bank will be signed very soon for the implementation of gas distribution project of Comilla Feni Laksam-Chittagong sector. The work of the largest Titas Gas distribution project has been taken on a priority basis with the cooperation of the Asian Development Bank.

Gas supply has been made in Svihet town and assurance of French credit for the development of Hobigani Gas Field has been received. The work of preparing the technical and economic reports for the supply of gas to the western region of the country is under the consideration of the Government.

The Government has accepted the report on the first phase work of Jaipurhat Limestone Project. The work of the next phase will start soon. The site survey of hard rock project at Modhyapara is going ahead.

Arrangement has been made to implement four out of the current eight of the Rural Electrification Board. From the times of taking up the responsibility till 30th of last month electric supply has been given to 734 villages. During the period 725 miles power line have been constructed.

Power Development Board:

The Power Development Board has taken up four projects during the first six months of our taking up the responsibility. The projects are the fourth and fifth units of Karnaphuli Hydro Electric Project, Ishurdi-Shahjadpur 132 KV power line development of grid sub station and project for stopping misuse of electricity.

East West inter-connection grid has started functioning on experimental basis. As a result it is expected that for the first time in the history of the board there will be no operational loss in 1982-83.

Judicial System:

The judicial reform is one of the main aims of the present Government. Three new high court benches have started functioning at the divisional level and three more new benches are being set up to reach the judicial system within the reach of the common people.

In the meantime in order to simplify as well as to avoid delay, Code of Criminal Procedure has been amended and steps are being taken for the necessary amendments to the civil laws. Ninety-four new munsifs are being appointed for quick dispensation of civil cases. At the time we took up the responsibilities about one lakh 40 thousand criminal cases were pending in the courts of the country. But with the adoption of new criminal laws 36,000 cases had been disposed of in only last two months.

Two laws of colonial period relating to land acquisition have been amended as a result to which quick payment of compensation to the affected landowners will be possible. Another important aspect of law reform is the strict implementation of the ceiling relating to land ownership.

A law was passed reducing the ceiling of ownership to 100 bighas from the former limit of 375 bighas in the past. But unfortunately this law was never applied properly.

We have also achieved considerable progress in the realization of land revenue. After our taking over the responsibility the amount in this respect stood at Taka 13 crore 16 lakh and 80 thousand in the six months.

Labour and Manpower

It has been possible to provide 30,500 Bangladeshis with jobs abroad from April to September.

Bangladeshis working abroad sent home 621 crore Taka in 1981 but the amount in this head has gone up to Taka 1000 crore. At present the total is expected to stand at 1,100 crore Taka at the end of the year.

New Immigration Ordinance has been announced repealing the laws of the colonial times. As a result corruption and harassment of the public in the manpower export will come to an end.

Punitive measures have been taken against corrupt recruiting agents. Licences of 35 agents have been cancelled and actions are being taken against many others.

A national manpower policy is being adopted to develop manpower export.

Arrangements are being made to provide technical and vocational training to less educated and unemployed youths.

Works and Urban Development

A large number of Government property, Government houses and government controlled abandoned property has been freed from unauthorized occupation. Consequently, Government revenue has increased and sufferings of Government employees have decreased.

Work at the Jitiya Sangsad Bhaban has been speeded up to make it ready for the Islamic Foreign Ministers conference.

The Jitiya Smriti Soudha at Savar, the foundation stone of which was laid by the then Prime Minister Sheik Mujibur Rahman, has been completed.

Chittagong Circuit House is being turned into Zia Museum and Library. The historical relics of the war of independence will be preserved there.

Different steps have been taken to make Dhaka a beautiful and attractive city. These include beautification of Baitul Mokarram Square and construction of monument over the graves of three national leaders at the High Court premises.

Law and Order and Home Affairs

After assuming the responsibility one of our main aims was to improve the law and order situation because a peaceful atmosphere is the precondition for development. The law enforcing agencies have already been sufficiently strengthened and special task force has been constituted in the crime prone areas.

Police Directorate has been reorganised and a project has been adopted for national police headquarters.

Sarda Police Academy and Regional Police Training School at Rangpur are being expanded. Initiative has been taken to establish two training centres at Noakhali and Tangail. More high ranking officials are being appointed to the Police Academy and training centres.

Cases of serious crimes like dacoity and robbery are being reduced substantially. There were 127 cases of dacoity in March while the number of dacoity cases stood at 54 in October. The number of robbery cases was 122 in March and it had come down to only 74 in October.

Time limit has been fixed for quick investigation into the cases of crime. In March 15 thousand cases of investigation were piled up but it has been reduced and came down to five thousand in October.

Report of the Jail Reforms Commission is being implemented and under it jails are being expanded and facilities are being increased there.

Immigration/Passport

Arrangements have been made to sell passport forms and to deposit fees in all districts through the branches of Sonali Bank. A proposal for introduction of a new type passport book to check forgery is under consideration.

Corruption:

We have declared 'Jihad' against corruption. Several former Ministers were given punishment on charges of corruption. A considerable number of Government officials have been removed from service. Corruption is such a powerful vice that it is never possible for the Government alone to check it. Active cooperation of the people is needed in this regard.

Religious Affairs

'Zakat' is a significant part of Islam. Therefore we have constituted a 'Zakat Fund' keeping in view the glorious tradition of Islam and law practised in various Muslim countries.

A Zakat Board has been formed under the leadership of the President and comprising distinguished religious scholars for proper and perfect running of the fund. The Government has taken various measures for generation of Islamic thoughts and values in the country.

The Government has also kept up its vigilance so that the people of other religion could perform their religious rituals and rites peacefully in the country.

Foreign Affairs

The basic objective of the foreign policy is the preservation of national independence and sovereignty and welfare of the people of Bangladesh. A distinctive feature of the policy is friendship with all particularly with the neighbours.

Within the short time of our takeover we have achieved some significant successes for pursuing a bold foreign policy. Our election as chairman of the Group of 77 of the United Nations made us a powerful exponent of the 3rd World.

We have taken initiative to revive South-Asian forum of cooperation. The next Foreign Secretaries conference in Dhaka to be followed by Foreign Ministers conference and later a summit meeting will be held.

For peace and development, Bangladesh has gained membership of (a) Islamic Peace Committee, (b) Al-Quds Committee and (c) Islamic Solidarity Fund and Islamic Permanent Committee of Information and Culture.

Dhaka has been chosen as the venue of Islamic Foreign Ministers conference next year. It is a matter of pride for us.

I visited Saudi Arabia thrice after taking over the responsibilities of peace and progress and had several rounds of talks with late King Khaled and King Fahd.

I joined the UN disarmament conference and met the American President, the British Prime Minister and the UN Secretary General and many leaders of the world.

An understanding has been reached between me and the Indian Prime Minister, Mrs Indira Gandhi, on feasibility study of finding a permanent solution to the Farakka problem within 18 months. Tin-Bigha agreement has been signed. Joint Economic Commission has already taken steps to remove the trade imbalance of Taka 95 crores.

I journeyed to Nepal in pursuit of friendship with neighbours. Friendly Nepal has been offered the facilities for use of the Bangladesh ports and transit for increasing trade.

I noted during my visit the great progress made in China, an important neighbour of ours through peace.

I discussed regional cooperation, peace and development with the heads of state and government of 13 countries participating in Fiji on the occasion of regional heads of Commonwealth conference.

In New York I had a meeting with Soviet Foreign Minister Gromyko and in Moscow the Deputy Chief Martial Law Administrator and Chief of Naval Staff had successful talks with the new leadership.

Conclusion: Dear countrymen I hope you could make an idea of the Government's objectives and policy after what I have spoken to you so long.

By the by I want to say something. Certain sections have expressed the opinion that the Government took decisions on important matters without consulting the people. The allegation is not at all correct. You know it fairly well that the present Government is totally a non-partisan one. The basis of the steps taken for the welfare of the people was the past experience of our country. We have seen in the past why the welfare of the people was frustrated and Government's measures suffered failures. We have formulated policies to meet the needs of the present time keeping a

close watch so that the past mistakes were not repeated. "The principal objective of our efforts is to secure the interest of the masses and change their lot.

But arrangements have been made to ascertain public opinion on some important issues like the land reform education policy, etc. I hold out firm assurance that much stress should be given on the public opinion on those matters. I like to make it clear to you that the Government will take decision after discussing it with the people wherever it was necessary.

My appeal to those few privileged and fortunate in the society to kindly think on those for whose untiring labour you could raise yourselves to this position.

You must be aware of the fact that unless the fate of these poor and helpless masses was changed I apprehended the very existence of the fortunate few would be in jeopardy because during the last 35 years they had been subjected to injustice, repression and exploitation in the society. Never forget that under the backdrop of the changed circumstances their patience may break. Hence I would request you to unitedly work to improve the lot of those wretched and exploited masses of the people and for their economic freedom by forgetting all the past. In the light and context of the present circumstances without hard labour honesty, sincerity, dedication and relentless efforts there was no other alternative left to us. There is no other alternative for us than to put up hard labour unitedly to preserve our independence and sovereignty and for holding aloft our head in the community of nations as a nation. I firmly believe if we all work together industriously keeping in view our national interests and cooperate with each other with honesty and discharge our respective duties by remaining above all corruption. Allah the Almighty will help us in building up the "Notun-Bangladesh" Khoda Hafez "Bangladesh Zindabad."

CSO: 4600/1561

LABOR MINISTER'S STATEMENT AT KATMANDU MEETING

Dhaka THE BANGLADESH OBSERVER in English 10 Dec 82 p 5

[Statement by Air Vice Marshal (Retd) K.M. Aminul Islam, Minister for Labour and Manpower and leader of Bangladesh delegation in Kathmandu at Solidarity Ministerial Meeting on Nov 29]

[Text]

WE in Bangladesh had the pleasure to hold such a meeting in December, 1980 which was a success. The idea of holding a Solidarity Meeting of developing countries to give concrete shape to the industrialisation efforts of the less fortunate among the developing countries through cooperative efforts of developing countries themselves is a new and innovative concept. Most of the developing countries are still in the early stages of industrialisation and a massive shift of resources both in the form of capital and technology as needed from the developed countries to harness their resources with a view to improving the quality of life.

Unfortunately in recent years the climate in regard to the flow of assistance from the developed countries has declined and there has also been no substantial progress in North-South dialogue. Protectionist measures adopted by some of the rich countries have adversely affected the sale of the products of the developing countries putting further strain on their economies. On top of it economic recession in the west has not only reduced the volume of exports of developing countries but also the price of the products which the latter have to sell. The call for establishing a new international economic order in which the interests of all nations would be protected has so far made little progress.

In this background the need for cooperation among the developing countries themselves has assumed a special significance. There is a new awakening and realisation that developing countries must come together and work hand in hand in a true spirit of collective self reliance.

Fortunately some of the developing countries have made noticeable progress in industrial developments while some others have resources which can be combined to help one another.

Bangladesh and Nepal are very close and friendly neighbours and bound by strong ties of geography, history, culture and tradition which have survived through centuries. These bonds have always been imbued with spirit of cordiality between the two peoples. There is a close identity of views between our two countries on most international and regional issues. The recent visit of the President of the Council of Ministers of Bangladesh to Nepal has paved the way for further strengthening these ties.

We believe that there is a great scope for cooperation between our two countries in many fields including industries. Over the years Bangladesh has acquired certain amount of expertise in Jute, Textiles, Sugar Paper, Fertilizer, Pharmaceutical and other industries. From the list of projects which have been presented for this meeting and

which were circulated earlier we have been able to identify some areas in which we are in a position to offer technical and other assistance to Nepal in their establishment and operation. In course of our discussions we may be able to identify some more areas of mutual interest. Being amongst the Least Developed Countries herself Bangladesh does not have enough financial resources. But the scope for co-operation in joint ventures for production of goods for each other as well as for third country markets can be explored. Bangladesh is also in a position to assist in developing skilled manpower, managerial capabilities market studies and for providing services in other fields. We are prepared to share with Nepal whatever expertise we have in all fields where we have gathered experience. We suggest that the capital surplus countries provide financial resources for the industrialisation of Nepal and from Bangladesh we would be able to provide technical know-

how and other cooperation in the selected fields of industrialization.

Bangladesh is also in a position to offer assistance in institutional developments and providing training facilities to Nepalese personnel in the field of pulp and paper, jute, sugar chemical fertiliser and pharmaceutical industries as well as in agricultural development. We believe that it would be possible for His Majesty's Government to arrange funds from various international agencies for such development of her human resources and institutions.

* Allow me on behalf of the Government of the People's Republic of Bangladesh and her people to assure His Majesty's Government that we shall extend whatever assistance we can to speed up her industrialisation process. We wish this Solidarity Ministerial Meeting a success. May this meeting usher a new era of progress and prosperity for the Kingdom of Nepal and her people.

CSO: 4600/1553

CUBAN ENVOY REVEALED AS PLOTTER IN FORMER POSTS

Dhaka HOLIDAY in English 18 Dec 82 pp 1, 8

[Text] Jose Perez Novoa, the Cuban Ambassador who presented his credentials to President Ahsanuddin Chowdhury last Thursday (December 10, 1982) has been reported by diplomatic sources as having been expelled from Addis Ababa several years ago for his involvement in intelligence activities.

Mr Novoa, who is based in New Delhi, is concurrently accredited to Bangladesh. Although he arrived in Delhi more than one and a half years ago, he came to Dhaka only last week to present his credentials as there appeared to have been some problem with his agreement, diplomatic sources said.

Mr Novoa was his country's ambassador to Ethiopia during 1976-78 and was allegedly involved in spy activities. The London newspaper, the Daily Telegraph and the Delhi edition of the Statesman also carried lengthy stories about Mr Novoa's espionage activities in Ethiopia as well as his expulsion from Addis Ababa.

The two newspapers reported that Mr Novoa "was expelled from Addis Ababa, together with his counsellor and the South Yemeni Charge d'Affaires when all three men were discovered to be embroiled in a plot to instal a Moscow-line Marxist in place of Colonel Mengistu at the head of Ethiopia's revolutionary regime."

The report further said: "The attempted palace coup in Ethiopia closely followed the pattern of earlier KGB-orchestrated operations in South Yemen and Afghanistan to replace left-wing leaders generally sympathetic to the Soviet Union with hardline Marxist-Leninists unconditionally loyal to Moscow."

According to this report, "while Col Mengistu was travelling abroad in 1978, the Cubans and the South Yemenis conspired to smuggle one of arch-rivals, Dr Negede Gobeze, who had been living in exile in Paris, into Addis Ababa. Dr Gobeze arrived bearing a false passport supplied by the South Yemeni embassy and was picked up at the airport by the Cuban Ambassador's car which whisked him away to Perez Novoa's private residence.

"Mengistu, alerted by security officials, ordered a tough and immediate response. Ethiopian security police surrounded the Cuban residency, threatened to break in unless Dr Gobeze were handed over. At the same time, the Cuban Ambassador and his counsellor, Francisco Ortiz Rodriguez, were declared personae non grata."

CSO: 4600/1559

COUNCIL APPROVES ORDINANCE FOR UPGRADING THANAS

Dhaka THE BANGLADESH TIMES in English 21 Dec 82 pp 1, 8

[Text] The Council of Ministers has approved the Local Government (Thana Administration Re-organisation) Ordinance to provide for the constitution of the Thana Parishad for the upgraded thanas laying the foundation of the democratic process, reports BSS.

The meeting, which was held in Dhaka on Sunday night, was presided over by the Chief Martial Law Administrator, Lt Gen H.M. Ershad.

The Ordinance, among other things, provides that upgraded Thana Parishad would be a body corporate, having perpetual succession and a common seal, with power subject to the provisions of this Ordinance and the rules to acquire, hold and dispose of property, both movable and immovable, and shall by its name sue and be sued.

A Parishad would consist of:

(A) A Chairman, (B) Representatives members, (C) Three women members, (D) Official members, and (E) Chairman of the Thana.

A Chairman would hold office for a term of three years from the date on which he enters upon his office;

(2) A woman member shall hold office for a term of three years from the date of her nomination.

A person elected as Chairman would on the date on which he enters upon his office cease to hold any other office in any Union Parishad or Paurashava.

Electoral roll: There shall be an electoral roll for every upgraded thana for the election of Chairman.

Right to vote: Every person whose name is for the time being entered in the electoral roll of an upgraded thana shall be entitled to vote at an election of Chairman of that thana.

Right to vote: Every person whose name is for the time being entered in the electoral roll of an upgraded thana shall be entitled to vote at an election of Chairman of that thana.

Oath of office: every chairman shall, before he enters upon his office, make and subscribe in the presence of such officer as the government may specify in this behalf, an oath or affirmation in the specified form.

Declaration of properties: Every Chairman shall, before he enters upon his office, submit to the government in such manner as the government may direct, a declaration in writing of properties both movable and immovable, whether within or outside Bangladesh, which he or any member of his family owns, or which he has in his possession or under his control or in which he or any member of his family has any beneficial interest.

Resignation of chairman, etc: (1) A chairman may resign his office by notice in writing under his hand addressed to the government.

(2) A member, other than official member, may resign his office by notice in writing under his hand addressed to the chairman.

(3) A resignation under this section shall become effective and the office concerned shall become vacant on the date on which the notice of resignation is received by the addressee.

Removal of chairman, etc. (1) A chairman shall render himself liable to removal from his office if: (a) he becomes physically or mentally incapacitated from performing his functions or (b) he is guilty of grave misconduct or is responsible for any loss or misapplication of money or property of the parishad.

The salient features of the ordinance are: development plans: (1) A parishad may, and if so required by the government shall, prepare and implement development plans for such periods as may be specified. (2) Such plans shall be subject to the sanction of the government, and shall provide for (A) the manner in which the plans shall be financed, executed, implemented and supervised, (B) the agency through which the plans shall be executed and implemented and (C) such other matters as may be necessary.

(3) The government may direct that any specified item of income of a parishad shall wholly or in part be earmarked for and applied in the implementation of a development plan.

Taxes to be levied: (1) A parishad with the previous sanction of the government may levy in the prescribed manner all or any of the taxes, rates, tolls and fees mentioned in the third schedule.

Notification and enforcement of taxes, etc: (1) All taxes, rates, tolls and fees levied by a parishad shall be notified in the prescribed manner and shall, unless otherwise directed by the government, be subject to previous publication.

(2) Where a proposal for the levy of a tax, rate, toll or fee or for the modification of a tax, rate, toll or fee which is in force is sanctioned, the sanctioning authority shall specify the date for the enforcement thereof and such tax rate toll or fee or the modification shall come into force on such date.

Control over the activities of parishads: (1) If the government is satisfied that anything done or intended to be by or on behalf of a parishad is not in conformity with law, or is inconsistent with or contrary to national policy, the government may, by order (A) quash the proceeding, (B) suspend the execution of any resolution passed or order made by the parishad, (C) prohibit the doing of anything proposed to be done and (D) require the parishad to take such action as may be specified.

(2) Where an order under Sub Section (1) is made the parishad concerned may, within thirty days of the receipt of the order, represent against it to the government.

(3) The government shall within thirty days of the receipt of the representation, either confirm or modify or set aside the order.

(4) If for any reason the order is not confirmed or modified within the aforesaid period it shall be deemed to have been set aside.

Inquiry into the affairs of parishads: (1) The government may, either suo moto or on an application made to it by any person, cause an enquiry to be made by such officer as may be authorised by it in this behalf into the affairs of a parishad generally, or into any particular matter concerning the parishad and take such remedial measures as may be warranted by the findings of such enquiry.

Supersession of parishads: (1) If, after such enquiry under Section 51 as may be necessary the government is satisfied that a parishad-- (a) is unable to discharge or fails in discharging its duties, or (b) is unable to administer its affairs or meet its financial obligations or (c) otherwise exceeds or abuses its powers, the government may, by notification in the official Gazette, declare the parishad to be superseded for such period not exceeding one hundred and eighty days.

The functions of upgraded thana parishads include: all development activities at the thana level, formulation of thana level development plans and programmes and implementation monitoring and evaluation thereof.

Implementation of government policies and programmes within the thana and supervision, control and coordination of functions of officers serving in the thana, except munsifs trying magistrates and officers engaged in regulatory functions.

THANA PARISHAD ELECTIONS TO BE HELD AFTER AUGUST

Dhaka THE BANGLADESH OBSERVER in English 23 Dec 82 pp 1, 12

[Text] Mr Mahbubur Rahman, Minister for Local Government, Rural Development and Cooperatives, on Wednesday announced that the election of the Thana Parishad will be held after August 1983 and the preparation of electoral rolls for holding such election will begin from January 1983.

Explaining the salient features of the Local Government (Thana Parishad and Thana Administration Reorganisation) Ordinance 1982 at a Press conference at the Cabinet Room of the Bangladesh Secretariat, Mr Mahbubur Rahman said that the new thana administration was aimed at decentralisation of administration and to bring an end to the urban oriented and official-dominated administration in the country. Terming the new administrative system as a revolutionary one, the Local Government Minister said with the implementation of the system, an era of self-rule and the process of real democracy would be initiated.

Explaining the constitution of the upgraded thanas the Local Government Minister said that it would be constituted with a Chairman who will be directly elected by the people, 15 representative members, official members, three women members on nominated member and an ex-officio member, the Chairman of the Thana Central Cooperative Association.

The representative members will be the Chairmen of the Union Parishads. The official members will be specified by the Government and the three nominated members would also be nominated.

The Chairman of the Thana Parishad who would be directly elected by the people would hold office for period of three years. The tenure of the representative members however, would have no limit. Only the representative members will have the rights to pass a resolution against the Chairman for removal. In that case four-fifths of the representative members can only bring motion for the removal of the chairman.

The Local Government Minister said that either the Nirbahi Officers or persons nominated by the Government would act as Chairman of the Thana Parishad until the election of the Thana Parishad was held.

Mr Mahbubur Rahman said that there would be no political party nomination for the election of the Thana Parishad Chairman. But he said that persons belonging to any political party can seek election to the Thana Parishad Chairmen. Replying to a question, he said that the Chairman of the Thana Parishad would be allowed to retain membership of any political party.

The Local Government Minister said that the Thana Parishad will have the power to levy taxes, rates, rolls and fees, lease jalamahals situated entirely within thana boundaries, tax on profession, trades, dramatic and theatrical shows and other entertainment and amusement, street lighting, tax, fees for fairs, agricultural and industrial shows, exhibitions and tournaments, fees for licences and permits granted by the Parishad, toll on services and facilities maintained by the Parishad and lease money from specified hats, bazars and ferries to be determined by the Government.

The Local Government Minister said that taxes would be made uniform in all the thana parishad.

BSS adds: Mr Rahman said that imposition of taxes to be levied by different Thana Parishads would require approval of the government before implementation for the purpose of rationalization and uniformity.

In reply to a question, he said law relating to upgradation of Pourashavas and the urban thanas would be promulgated within the next 90 days.

In reply to another question he said that laws would also be promulgated shortly for preparation of electoral rolls which will begin next month.

Pointing to the superseding of Thana Parishads and impeachment of a Chairman he said that this would be done after proper hearing, show cause notices and proceedings. He said that four-fifth majority of the elected representatives of the Thana Parishad would be required to remove a Chairman while at least 50 percent of them would make a quorum.

He said that the chairman of the thana parishad would be a full time person and he would not be allowed to remain out station for more than 30 days at a time.

CSO: 4600/1563

SOVIET LEADERS GREETED ON USSR ANNIVERSARY

Dhaka THE BANGLADESH TIMES in English 21 Dec 82 pp 1, 8

[Text] Chief Martial Law Administrator Lt Gen H.M. Ershad has sent the following message of felicitations and greetings to the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics on the occasion of the 60th anniversary of the foundation of the USSR, says an official announcement.

"On behalf of the Government and the peoples of Bangladesh and on my own behalf I extend to the Government and the people of the USSR our warmest felicitations and sincere greetings on the occasion of the 60th anniversary of the foundation of the USSR.

"On this happy occasion we wish the Soviet people peace, progress and prosperity. It is our sincere hope that the friendly relations between our two countries will be further strengthened and developed in the years to come to the mutual benefit of our two peoples."

Ahsan

President Mr Justice A.F.M. Ahsanuddin Chowdhury has sent the following message of felicitations and greetings to the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics on the occasion of the 60th anniversary of the foundation of the USSR:

"On the occasion of the 60th anniversary of the foundation of the Union of Soviet Socialist Republics we convey our most cordial felicitations and warm greetings to the Government and the people of the USSR.

"Our sincere good wishes to the Soviet people for their further success and continued peace, progress and prosperity."

CSO: 4600/1562

GOODS EXCHANGE PROTOCOL WITH MOSCOW SIGNED IN DHAKA

Dhaka THE BANGLADESH OBSERVER in English 28 Dec 82 p 1

[Text] Bangladesh and Soviet Union will exchange goods worth 52.6 million pound sterling (about Taka 195 crore) both ways under the 12th barter protocol signed in Dhaka on Monday between the two countries, reports BSS.

The new protocol envisaged a 12 percent growth of the barter trade over the preceding one. The 11th barter protocol had provided exchange of goods both ways worth 47 million pound sterling.

The newly signed protocol will enable Bangladesh to export tobacco, cigarettes, copper wire, coffee and razor blades for the first time to Soviet Union, while the new item included in the Soviet export list is kerosene.

The signing followed the conclusion of the annual trade talks and review of trade relationship between the visiting Soviet trade delegation and Bangladesh officials.

Mr A.F.M. Ehsanul Kabir, Commerce Secretary and Mr I.T. Grishin, Deputy Minister of Foreign Trade and leader of the Soviet trade delegation signed the protocol on behalf of their respective governments.

CSO: 4600/1568

BANGLADESH BANK REPORTS ON 1981-82 ECONOMY

Dhaka THE BANGLADESH OBSERVER in English 13 Dec 82 pp 1, 12

[Text] Bangladesh economy experienced severe stress and strains in 1981-82 mainly due to international recession, adverse domestic factors, volatile exchange rate and high interest rates in world markets causing continued deterioration in terms of trade.

The difficulties were compounded by adverse domestic factors like drought, untimely rainfall and pest attacks.

These trends in our economy have been revealed in the Annual Report of the Bangladesh Bank released to the Press on Sunday. The report says that due to these adverse factors the Gross Domestic Product (GDP) increased by only 0.9 percent in real terms as against 6.1 percent achieved during 1980-81. Agricultural production declined by about 0.6 percent during 1981-82 as against the increase of about 7.1 percent in the previous year. Production in the industrial sector increased by not more than 2.9 percent during the year under review as against 8.8 percent in 1980-81.

The report stated that although money supply (ml) declined by 0.63 percent significant decline in foodgrains production during 1981-82 combined with fast monetary expansion earlier in the previous year caused accentuation of the price pressure during the year under report. Other factors which contributed to the price pressure were shortfall in imports, increase in import prices and depreciation of exchange rate. To meet the price pressure Bangladesh Bank pursued a cautious monetary policy during the greater part of 1981-82.

The report said that the attempts were made to increase food production through increased use of high yielding variety of seeds backed by expanded irrigation, drainage and flood control facilities, rural infrastructure and extension services to overcome the difficult food situation.

On the external front both exports and imports remained below the targets fixed for the year which caused reduced profitability to some public sector enterprises and shortfall in tax receipts. The imbalance in the external sector combined with a shortfall in non-project assistance necessitated a downward revision of the Annual Development Program from Taka 3015 crore

to Taka 2715 crore. In the absence of adequate finance for imports of industrial fuel and raw materials, the country had to resort to some short term commercial borrowing at high interest rate.

About the agricultural production, the report said that total foodgrain production estimated at 141 lakh tons during 1981-82 was 3.42 percent lower than the production of 146 lakh tons during the previous year. Production of raw jute declined by 9.74 percent to 43.17 lakh bales during the year under report while tea production declined by 7.60 percent to 85.05 million lbs.

BSS adds: The report said money supply during the period stood at Taka 2155.57 crore at the end of June 1982, showing a decline of Taka 13.77 crore or 0.63 percent during 1981-82 as compared with the substantial increase of Taka 470.75 crores or 27.71 percent in the preceding year. The decline in money supply was brought about by the large deficit in the country's international account to the extent of Taka 607.51 crores and accruals of Taka 359.90 crore to time deposit.

On the other hand, the report said broad money increased by Taka 346.13 crore or 7.92 percent to Taka 4718.66 crores during 1981-82 as compared to the much larger increase of Taka 941.87 crore or 27.45 percent during the previous year. Credit to the public and private sector expanded by Taka 473.81 crores and Taka 471.58 crores respectively during the year under report.

The overall balance of payments of the country during 1981-82 recorded a deficit of Taka 521.84 crores as compared to a deficit of Taka 501.58 crores during 1980-81. The deficit in the overall balance reflected increased deficit under goods and services account partly offset by increased inflow under unrequited transfers and capital account. The foreign exchange reserves (convertible) declined from Taka 450.88 crores at the end of June 1981 to Taka 239.68 crores at the end of June 30, 1982 despite drawings of Taka 125.10 crores from the International Monetary Fund under the compensatory financing policy.

The report said the foreign aid disbursement at 1,2336 million dollars during 1981-82 recorded an increase of 7.76 percent from the level of 1,147 million dollar in 1980-81. The increase in foreign aid disbursement was due to the increase in food aid by 19.07 percent, 7.12 percent and 4.29 percent respectively.

The report said the general price situation in the country reflected the 'tight food situation during 1981-82. The twelve months average of the cost of living indices for the middle class people in Dhaka increased by 16.29 percent in 1981-82 as compared with a rise of 12.54 percent in the preceding year. However, on a point-to-point basis the general cost of living index for middle class people in Dhaka city showed a rise of 7.5 percent in 1981-82 on account of some easing of the food and price situation in the last quarter of the year.

CSO: 4600/1555

HASINA TELLS AWAMI LEAGUE TO PLEDGE RENEWAL

Dhaka THE NEW NATION in English 18 Dec 82 pp 1, 8

[Text] Awami League Chief Sheikh Hasina Wazed has called upon the people to take a fresh vow to build up the country as a 'Sonar Bangla' materialising the ideals of Sheikh Mujibur Rahman.

Inaugurating a cultural function marking the Victory Day at Ramna Green Thursday, she told a big gathering of the party workers and followers that December 16 is a day of renewing pledge.

The function was attended by party leaders Dr Kamal Hossain, Mr Abdur Razzak, Mrs Zobra Tajuddin, Mr Abdus Samad Azad, Mr Korban Ali, Mr Zillur Rahman, Mr Tofael Ahmed, Mr Abdul Mamman, Sardar Amjad Hossain and Mrs Sajeda Chowdhury.

Sheikh Hasina reiterated that conspiracies are on to erase the values of the liberation war and urged the people to rise up against all conspiracies and come forward to put an end to the politics of killing once for all from the soil of Bangladesh.

Recounting the day of victory 11 years back in 1971, she said the Victory Day should be celebrated with both joys and tears as the hard-earned independence was achieved at the cost of the supreme sacrifices of millions of people after a nine month long bloody war.

Sheikh Hasina said that conspiracies are also being hatched by certain quarters to wipe out the name of Sheikh Mujibur Rahman. She lamented that Victory Day is being celebrated by the Government but without any mention of that "great leader."

Sheikh Hasina said Sheikh Mujib was killed by the henchmen of the "imperialists" and added that welfare to the people cannot be achieved by capturing power through killing and conspiracies.

CSO: 4600/1557

FORMATION, STRUCTURE OF RURAL DEVELOPMENT BOARD TOLD

Dhaka THE BANGLADESH OBSERVER in English 22 Dec 82 p 1

[Text] Government has constituted the Bangladesh Rural Development Board (BRDB) with immediate effect, says a PID handout.

The Board will have 22 members including five representatives from the Federation of TCCAs and one from the Bangladesh Jatiya Samabaya Union, Mr Mahbubur Rahman, Minister of Local Government will be the Chairman of new Board and Mr A.T.M. Shamsul Haque Additional Secretary in charge Rural Development and Cooperatives Division will be the Vice-Chairman.

The other members of the Board will be Member Planning Commission and representatives from the Divisions of Agriculture and Forest Fisheries and Livestock, Finance, Energy, Irrigation, Water Development and Flood Control and Local Government. Chairman BADS, Director of BARD Comilla/RDA Bogra Registrar of Cooperative Societies Chairman BSIC will also be members of the Board. The Director General Khondker Asaduzzaman will act as the Member Secretary of the Board.

It may be mentioned that with the formation of the Board the Integrated Rural Development Programme which was established in February 1971 stands dissolved and its activities will be carried on by the new Board.

The establishment of the Board is a bold step of the Government towards gearing up the rural development activities through cooperatives. It also reflects the eagerness of the Government in implementing its rural oriented policy for bettering the lot of the common man living in the rural areas of the country.

It also removes the long standing uncertainty about the status of IRDP and the fate of its employees. It is hoped that the new Board will take up the work of rural development through organising and developing cooperatives in right earnest.

CSO: 4600/1563

EXPERT URGES TRIPARTITE EFFORTS TO HARNESS GANGES

Dhaka THE BANGLADESH OBSERVER in English 28 Dec 82 pp 1, 12

[Text] Mr B.M. Abbas A.T., a veteran water resource expert, said in Dhaka on Monday that India, Nepal and Bangladesh should cooperate in harnessing the waters of the Ganges for the betterment of the three peoples, reports BSS.

In a paper entitled "Water: a challenge, an opportunity," he presented at the technical session of the 27th annual convention of the Institution of Engineers, Bangladesh, Mr Abbas said that the link canal project of India for diverting Brahmaputra waters to the Ganges was completely contrary to Bangladesh interests.

Mr Abbas said that India expects Bangladesh not only to give away the entire dry season flows of the Ganges, but also the big chunk of the Brahmaputra waters during the period.

He described it as "a shortsighted" policy of India seeking to inhibit the development potentials of smaller neighbours which in the long run would do no good either to India, its neighbours or the region as a whole.

Mr Abbas said that at least 60 to 70 percent of arable land in Bangladesh needed to be brought under irrigation on an immediate basis from the present ten percent for producing food for the people and existence of the country.

This, he added, would require enough surface water which must be drawn from all the major rivers that pass through Bangladesh. He said that ground water could not just meet that requirement.

But, he said, most of the rivers that pass through Bangladesh were international in character and Bangladesh being located at their tail ends could neither control nor regulate their flows as was being done by upper riparian countries.

A solution would require the cooperation of all the co-riparian countries, he said.

India was putting up barrages on most of the common international rivers one after another to divert their waters which could in the long run leave Bangladesh high and dry, he said.

He said that Ganges had enough water, particularly during the monsoon by storing which in the uppermost basin Nepal the dry season shortage could be resolved and at the same time it could provide multiple other benefits including generation of hydro power for Nepal to sell to other countries in the region.

The link canal proposed by India for diverting the dry season Brahmaputra flows to the Ganges would not provide any solution, rather it would create new problems, Mr Abbas said.

Mr Abbas said that one-third of arable land of Bangladesh would be wasted by the link canal which would also seriously hamper the country's ecology and restrict all future development plans including that of agriculture dependent on Brahmaputra waters.

That was why he said that the Brahmaputra link canal proposal was rejected.

But later both the proposals came up again and no headway could be made in studying them as India would not agree to include Nepal in the efforts, he said.

He said that no study of data for the proposed construction of dams in Nepal was possible bypassing Nepal.

It was because of this attitude on part of India that the 1977 agreement was allowed to lapse and added India was determined on that. He said that India had also been opposing the eighty percent guarantee clause that protected only the bare requirement of Bangladesh in the worst situation and stood against man-made situation that could affect Bangladesh shares.

Mr Abbas said that he could not understand why India, Nepal and Bangladesh could not cooperate to share the bounties of the Ganges which could be beneficial for all when eleven countries in Europe could share the Danube for navigation, hydropower generation, ecology maintenance and irrigation purposes.

"If we go on like this," he said, "the future generations will curse us and poverty will increase."

Mr Abbas said that technically the link canal proposal is unnecessary as the diversion of waters from Brahmaputra to the Ganges would be harmful to Bangladesh and also because Ganges had enough waters which could provide the solution.

Socially and ecologically, he said the link canal is "intolerable" as it would have far-reaching adverse consequences on the people of Bangladesh.

The link canal would be the repetition of the Farakka experience involving vast withdrawals from the Brahmaputra which could fully utilise without the unnecessary exercise.

Economically also, he said, the link canal is unjustifiable involving much greater expenditures and much less returns.

The only answer to the problem, Mr Abbas said, would be in the basin-wise and separate development of the three major international rivers of the region.

Developed properly and on that basis, he said, they could contribute immensely to increased human welfare and economic growth of the region.

Mr Abbas suggested that until the separate river basin development projects were implemented, India should agree with Bangladesh in the interim sharing of the waters common to both.

This would remove a standing irritant, he said, and would also help to bring political stability and economic growth in the region.

Presided over by Major General Mahmudul Hasan, Administrator of Dhaka Municipal Corporation and Engineer-in-Chief of Bangladesh Army, the discussions were participated by members of the institution, Mr S.M. Al-Husainy, Mr M.A. Karim, Mr Shams-uz Zoha, Mr M. Shamsul Islam, Mr A. Hannan, Col A. Aziz and Dr M.A. Fazal.

Mr Al-Husainy suggested an in-depth study on water situation through a dynamic mathematical model stressed more on surface water irrigation and deeper study of adverse effects on Bangladesh's flora fauna and ecology and various crops caused by the water withdrawals and consequent salinity increases.

Stressing the importance of the three Major rivers, General Hasan said lack of cooperation among the co-riparian countries for their separate and basin-wise development could provide immense benefits to all the peoples in the region. He said lack of cooperation would prove to be harmful to them.

He said that the cooperation among all the co-basin countries would generate understanding and remove misgivings. But he added unilateral withdrawals or interference with the rivers by anyone would create misunderstanding.

CSO: 4600/1568

BRIEFS

PROTOCOL WITH PRAGUE--Bangladesh and Czechoslovakia will exchange goods worth 11 million U.S. dollars each way under the barter protocol number 7 signed between the two countries in Dhaka on Friday, reports BSS. The signing of the protocol was preceded by negotiations between the visiting Czechoslovak trade delegation and the Bangladesh side. The protocol was signed by Joint Secretary, Commerce Division, Mr Amin Mia Chowdhury, and the Director General of Foreign Trade and leader of the Czech team, Mr Jan Garcar on behalf of their respective countries. Under the protocol, Bangladesh will export to Czechoslovakia items like raw jute, jute goods, tea including packet tea, specialised textiles, ready-made garments, hosiery products, razor blades, copper wire, electric cables, tobacco and tobacco manufactures, tooth paste, handicrafts, oil cakes and mollasses. On the other hand, Bangladesh will import from Czechoslovakia mainly raw materials like raw cotton, hard coke, spare parts, scientific and laboratory equipment, raw materials for ceramic industries and small equipment and spare parts. The projected turnover of this protocol is slightly more than that of last protocol. [Text] [Dhaka THE BANGLADESH OBSERVER in English 10 Dec 82 p 1]

NEW UAE AMBASSADOR--The Government of the United Arab Emirates has appointed Mr Ibrahim Jawad Al-Reza as Ambassador of UAE to Bangladesh, it was learnt officially on Wednesday. Born in Dubai in 1930, Mr Jawad is a university graduate. He worked in the finance sector from 1954 to 73. He served the UAE Ministry of Foreign Affairs in 1974 and in UAE Embassy in London from 74 to 76. He was appointed Consul General in Bombay in 1976 and was holding that post till his new assignment. He was promoted to the rank of Minister-Counsellor in 1982. Mr Jawad knows English, Urdu and Persian in addition to his mother tongue Arabic. He has attended many Arab and international conferences including the 36th session of UN General Assembly in New York in 1981. [Text] [Dhaka THE BANGLADESH TIMES in English 10 Dec 82 p 3]

AMBASSADOR TO INDONESIA--Mr Rachmat Sukartiko has been appointed Ambassador of the Republic of Indonesia to Bangladesh, official sources in Dhaka said on Sunday, reports BSS. Born in December 1927, Mr Sukartiko attended the Fletcher School of Law and Diplomacy in 1952. He served at the Indonesian Embassy in Canberra and London before becoming Deputy Director in the Ministry of Foreign Affairs. In 1947 Mr Sukartiko became Minister Counsellor Embassy of Indonesia in Manila. Prior to his present assignment he was director, General Affairs, National Secretariat of ASEAN in Jakarta. Mr Sukartiko is married and has three children. [Text] [Dhaka THE BANGLADESH TIMES in English 27 Dec 82 p 3]

AMBASSADOR TO ITALY--The Government has decided to appoint Mr Reaz Rahman, at present Additional Foreign Secretary, Ambassador of Bangladesh to Italy, it was officially announced in Dhaka on Thursday, reports BSS. Born on July 5, 1940, Mr Reaz Rahman obtained Master's degree in International Relations from the University of Dhaka in 1963. He joined the erstwhile Pakistan Foreign Service the same year and served in various capacities in Pakistan missions in Sweden, Geneva, New York and New Delhi. Mr Rahman was appointed Counsellor and later promoted to the rank of Minister in the permanent mission of Bangladesh to the United Nations, New York where he served from September 1970 to July 1980. He was Director-General in the Ministry of Foreign Affairs from July 1980 before taking over as additional Foreign Secretary in July 1981. He has participated in various international conferences. Mr Rahman is married and has two children. [Text] [Dhaka THE BANGLADESH OBSERVER in English 18 Dec 82 p 5]

NORWEGIAN GRANT--Norway would provide to Bangladesh NKR 18 million equivalent to Taka 5.4 crore as grant to be utilized for the next two years for financing of the components of Intensive Rural Works Programme, says a PLD handout. An agreement to this effect was signed between the two countries here on Wednesday. The objective of the programme is to increase direct and indirect employment and other income opportunities in the short and long run for the landless labourers, marginal farmers and women from such households. It also aims at improving the infrastructure in 100 flood-prone thanas through implementation of rural works thereby promoting agricultural production. Denmark and Sweden are also active partners of this programme. Mr Shafiul Alam, Additional Secretary ERD and Mr Roly Hultin, Resident Representative of local Norad Mission signed the agreement on behalf of their respective governments. [Text] [Dhaka THE BANGLADESH OBSERVER in English 24 Dec 82 p 1]

NEW INTELLIGENCE AGENCY--A decision to form a Central Bureau of Intelligence (CBI), the supreme body of national intelligence activity in Bangladesh, was taken very recently at a high-level meeting. It is learnt that the CBI will be headed by the Home Minister and may have DGFI, DMI, DG-NSI, DG Anti-Corruption, DIG Special Branch of the police as members. The bureau will coordinate throughout the country and will gear up intelligence services in Bangladesh. The structure of the CBI at the district and other levels has not so far been finalized. [Text] [Dhaka HOLIDAY in English 18 Dec 82 p 1]'

NEW MONGOLIAN AMBASSADOR--The new Mongolian Ambassador to Bangladesh, Mr Bayaryn Jargalsaikhan presented his credentials to President Mr Justice Ahsanuddin Chowdhury at the Bangabhaban on Sunday, says a PID handout. Presenting his credentials, the Mongolian envoy referred to the existing relationship of friendship and understanding between the two countries which, he hoped, would gain in strength in future. The President appreciated the sentiments expressed by the envoy and assured him of all possible cooperation and assistance in the discharge of his duties and responsibilities. Earlier on arrival at the Bangabhaban, the Mongolian envoy took the salute presented by the smartly turned out contingent of the President's Guard Regiment and inspected the Guards. [Text] [Dhaka THE BANGLADESH OBSERVER in English 14 Dec 82 p 6]

CSO: 4600/1560

JOINT PRESS RELEASE ON RIVER COMMISSION MEETING

Dhaka THE BANGLADESH OBSERVER in English 25, 26 Dec 82

[25 Dec 82 pp 1, 12]

[Text] New Delhi, Dec 24--The following joint Press release was issued here today on the conclusion of the 23rd meeting of the Bangladesh-India Joint Rivers Commission (JRC) reports BSS.

The 23rd meeting of the Indo-Bangladesh Joint Rivers Commission was held in New Delhi from 22-24 December 1982. His Excellency Mr A.Z.M. Obaidullah Khan, Minister of Agriculture, Government of the People's Republic of Bangladesh and Chairman of the Commission presided. His Excellency Shri Kedar Panday, Minister of Irrigation, Government of the Republic of India and co-Chairman of the JRC led the Indian delegation.

This was the first meeting of the JRC after the historic meeting of the heads of government of India and Bangladesh from 6th-7th October 1982 during which a memorandum of understanding was signed. The two sides held talks in a constructive and fruitful manner reflecting the spirit of goodwill trust and understanding generated by their leaders at the summit and the desire to strengthen and consolidate friendship between the two countries in the larger realisation of the welfare of their peoples and improvement in the quality of their lives.

The Joint Rivers Commission examined the modalities in implementing the provisions contained in the memorandum of understanding of October 7, 1982 for completing the pre-feasibility studies of the schemes which had been proposed by either side for augmenting the dry season flows of the Ganga/Ganges at Farakka and deciding upon the optimum solution within 18 months of signing the memorandum.

They agreed to the establishment of a Joint Committee of Experts (JCE) to carry out the pre-feasibility studies of these schemes. They decided that the committee would consist of four members from each side as follows:

Bangladesh: Secretary, Irrigation, Water Resources and Flood Control Division, Ministry of Agriculture or an alternative to be nominated, Mr Mohammad Amjad Hossain Khan Member, JRC Dr Ainun Nishat, Member JRC and Mr Mobinuddin Choudhury, Director, JRC.

India: Secretary, Ministry of Irrigation or an alternate to be nominated, Mr R. Ramaswamy Member, JRC, Mr R. Ramaswamy, Chief Engineer, Central Water Commission and Mr G.S. Jakhade, Adviser, CBWS.

[26 Dec 82 p 3]

[Text] Following is the remaining part of the Joint Press release issued in New Delhi in Friday on the conclusion of the 23rd meeting of the Bangladesh-India Joint Rivers Commission (JRC):--

They agreed that each side may co-opt advisers as it deems necessary. The JCE will meet alternately in each country to be decided upon mutually.

They further directed the JCE to draft terms of reference for the pre-feasibility studies as well as to prepare a work schedule with specific date lines keeping in view the time frame and objective mentioned in para 3. The JCE should meet for this purpose immediately and submit its recommendations not later than 4 to 6 weeks to the JRC for its consideration.

The two sides discussed the provision of the memorandum of understanding relating to exceptionally low flows and recommended to their governments the need to urgently work out necessary modalities for implementing this provision in advance of the occurrence of such a phenomenon. They recommended that the Secretaries of the Ministers concerned should meet quickly for this purpose.

In depth discussions took place with regard to the problems of the common-border rivers and on the sharing of the waters of the Teesta.

The Commission noted that intensive work had been undertaken by the standing committee which had met three times. Significant progress had been made in exchanging data and information on water availability and requirements of the small common-border rivers particularly the Manu Muhuri, Khowal and Gumti. Work still needed to be done with regard to the Dharia/Dudhkumar. It was also noted that some incompatibilities in the data exchanged on water availability and requirements still remained. Both sides agreed to recheck their respective data with a view to finding out the reasons for incompatibility.

The Commission decided to extend the time period for completion of the standing committee's study on all the five rivers by three months and directed that every endeavour should be made to complete the work within this period. It also decided that regular joint visits to relevant hydrological observation sites could be undertaken by experts of both countries to have a better understanding and to suggest measures for improvement as felt necessary.

The Commission welcomed the fact that good progress had been made in resolving problems relating to embankments, river training works, etc. They noted that the local level committees had been reactivated under the supervision of standing committee and that some had already met while others were scheduled to meet shortly. They urged the committee to intensify their activities and report on the [sentence incomplete]

On the question of the Teesta the two sides reaffirmed the commitment of their governments to reach agreement on an expeditious determination of a formula for sharing the Teesta waters made at the 22nd meeting of the JRC on August 1, 1982 and reiterated at the summit meeting on October 7, 1982. The two sides held intensive discussions towards this end and useful forward movement was made. The Commission decided that they would finalise the matter at the next meeting in February 1983. The Commission also discussed modalities for the intensive studies to be completed within three years as earlier agreed upon.

The Joint Rivers Commission agreed to hold its next meeting at Dhaka from February 1 to 4 1982.

CSO: 4600/222

IRAN

DETAILS OF TRIAL OF MEMBERS OF COMMUNIST UNION PUBLISHED

Tehran KEYHAN in Persian 12 Jan 83 p 2

[Text] With the shocking confessions of the perpetrators of the killing of the people of Amol on 26 January last year, the seventh trial session of 30 terrorist executioners of the Communist Union of Iran continued yesterday morning in branch one of the revolution court of the capital, with Ayatollah Mohammadi-Gilani presiding.

According to a report by the correspondent of the ISLAMIC REPUBLIC NEWS AGENCY, some of the great families of the immortal martyrs of Amol, a group of foreign correspondents and some of the prisoners of Evin Prison were also present at this session.

The open session of the court began at 10 o'clock in the morning with recitations from the Koran. Then, brother Asadollah Lajevardi, the revolution prosecutor general of the capital, read the text of the bill of indictment of 'Eydi Mohammad Nowzari, son of Hasan 'Ali, with aliases 'Edi and Saleh, a member of the so-called Sarbedaran-e Jangal, and asked that he be given the most severe punishment. After listening to the charges, the defendant offered some explanations about and pleaded guilty to the charges in the bill of indictment in regards to being a militant member of the Sarbedaran organization and on the decision-making council in charge of regulating the affairs of the Jangal group, direct participation in the armed attack on the city of Amol, direct participation in the battles in Gaznehsara region and Darreh Mangal, a suburb of Amol, and the armed struggle of the Jangal group which resulted in the martyrdom and injury of a group of Guards Corps brothers, as well as other charges, including the propagation of ideas and distribution of the communiques of the Communist Union of Iran in Haftgel, nine months residence in the forests of Amol and conspiring against the Islamic Republic of Iran. In a part of his defense, the accused confessed in the presence of the foreign correspondents that he fired 40 rounds towards the Guards Corps brothers in the

course of the armed struggles in the forests of Amol and that he covered with dirt the corpses of three of the Guards Corps martyrs who had been left behind. Meanwhile, two of the survivors of the martyrs were invited to the witness stand by the court to make statements regarding signs of torture and cigarette burns on the skin of their children by the defendant and presented related documents to the court. In the continuation of the open court session yesterday, the defendant, Vahid Sari' ol-Qalam, son of Habibollah, with aliases Mostafa and Mohammad, a member of the Communist Union of Iran, was summoned to defend himself against the charges. After the bill of indictment was read by the revolution prosecutor of the capital, he spoke in his own defense and gave the court some shocking explanations concerning the horrible crimes of the Marxists against the Islamic Republic of Iran and the suffering people of Kurdistan. He confessed: The greatest service that the Communists have rendered the deprived people of Kurdistan through their efforts was to prevent the elimination of the deprivation of the people and prevent their rapidly benefitting from the fruits of the Islamic Republic of Iran. He added: the anti-Islamic minigroups took away from the people of Kurdistan the opportunity for cultural and economic growth and for three whole years, they kept the Muslim people from realizing the truth and the just existence of the Islamic Republic of Iran. The defendant, who presented himself as one of the thinkers, planners and leaders of the Communist Union of Iran, added: The importance of the charge against the central elements of this minigroup, including myself, is that we were the creators of an organization which brought about the sinister results we see. He added: Without having been deceived by anyone, I was in charge of all the militant operations of the Union in Kurdistan and I share in all their crimes.

Based on the paragraphs in the prosecutor's indictment, he is charged with membership in the central heretical and belligerent organization of the Communist Union of Iran, being in charge of the executive committee of the organization, being in charge of the organization and leadership of the armed operations against the regime of the Islamic Republic in Kurdistan, receiving 2 million rials in cash from the central organization to purchase the arms needed by the minigroup, being a representative of the organization in the resistant councils of the city of Sanandaj, making contact between the central committee and the military provision committee, etc. Vahid Sari' ol-Qalam, son of Habibollah, a member of the central organization of the Communist Union of Iran, who was tried yesterday morning in the revolution court of the capital for the killing of the people of Amol, confessed in his defense: Because the Guards Corps had taken over all the strategic areas and the whole of Kurdistan, the plans of the Marxist terrorists and other counterrevolutionaries reached an impasse.

He who presented himself as the thinking mind of this minigroup and confessed that he directed all the military operations of the members and supporters of the Communist Union minigroup in the region of Kurdistan said in regards to the motivation behind the superficial support of the Islamic Republic of Iran by the Communist Union: Before the armed battles, the Marxists believed that in the areas where the government of the Islamic Republic of Iran ruled with power over all the affairs, they should fight politically through publishing journals and taking advantage of the natural weaknesses of the revolution. In areas where they thought that they could be victorious over the government of the Islamic Republic, they would engage in armed struggle to establish their own organization and to weaken the Islamic revolution.

The accused explained that within this framework, their support for the revolution depended on the political power and rule of the government in various areas of the country. In regards to the reason for the Marxists starting the armed struggle in Kurdistan, he said: Considering the sinister inheritance of the past in the area, which includes the conflicts between the Shi'ite and Sunnite tribes, since there was no fundamental movement of the Islamic Republic in the area and, on the other hand, the organization of the transitional government was made up of elements who were not truly committed to the Islamic revolution, the affairs of the areas progressed slowly and the groundwork for the activities of the counterrevolutionaries in the area was clearly provided. Hence, after a while, Kurdistan became a large area for the activities of the counterrevolutionary elements.

Concerning the general results of the actions of the counterrevolutionaries in Kurdistan, Vahid Sari' ol-Qalam said: In the course of the past three years since the victory of the Islamic revolution of Iran, the only thing that the counterrevolutionaries were able to do for the deprived people of this area to eliminate the deprivations which were inherited from the shah's regime was to deprive the suffering people of Kurdistan of the fruits of the Islamic Republic, the opportunity for the reconstruction of the society and economic, cultural and intellectual growth. And for three years, they kept the people from realizing the actual fruits of the revolution.

Continuing his confessions, the defendant elaborated on his claims concerning the Marxists reaching an impasse in Kurdistan and said: If all the minigroups claim that they were unable to keep their golden promises to the people of the various areas of the country because they had no power, despite all the power that the Marxists had during the past three years in Kurdistan, they must go and see which one of these villages were reconstructed or in which village the level of the people's education increased.

The defendant added: During the period of the rule of the Marxists, in which area of Kurdistan were democracy and freedom established and what rule of the Marxists was supported by the people of the area? Comparing the just courts of the Islamic Republic with the so-called Marxist people's courts in Kurdistan, the defendant referred to the crimes of the Marxists in the so-called people's courts and the plundering of the people's property under the pretext of a people's confiscation and said: Inhumanity on the part of the Marxists went to such an extreme that they condemned an old villager to death for possessing a picture of the imam and martyred him without any sort of question. They confiscated a pickup truck in which he used to take his hard earned products to Sanandaj. He emphasized that the fact that he, as a member of the central organization of the Communist Union, despite the crimes he has committed, is able to defend himself in the court while we listen to his defense shows the justice and truthfulness of the Islamic revolution courts.

Concerning the crimes of the judicial committee of the Kurdish Democratic Party, the accused said: The members of this committee, before doing the slightest service for the people of the city of Bukan, which was the center of their rule, took money from the people in taxes and in a city which had only two streets, they would fire at the people's vehicles in the name of the law for no reason.

Concerning the crimes of the judicial committee of the abolished [Kurdish] Democratic Party, the distribution of narcotics, the stealing of gasoline and the plundering of the people's property, he said: The so-called supporters of the people sold the gasoline which they had plundered from the people or which had been given to them by Iraq in aid for 300 rials a liter to cover their expenses.

Admitting to all the charges contained in the prosecutor's indictment, he said: The counterrevolutionary activities in Kurdistan unavoidably followed the line that U.S. imperialism was following after the revolution to suppress it.

The defendant explained that the skirmishes in Kurdistan also were in line with the desires of U.S. imperialism, and, on the other hand, the Soviet Union. Vahid Sari' ol-Qalam, member of the central organization of the Communist Union of Iran mini-group, responding to a question by Ayatollah Mohammadi-Gilani in regards to the relationship between the Communist Union and the Ba'thist regime of Iraq, confessed: Some important weapons and provisions which we obtained in Kurdistan were definitely provided by Iraq, although on the surface we opposed the actions of the Ba'thist regime of Iraq and the abolished [Kurdish] Democratic Party.

However, in practice, in addition to our communiques, we were involved side by side in fundamental skirmishes against the Islamic Republic of Iran. He added: One of the occupations and financial sources of the abolished [Kurdish] Democratic Party was smuggling goods through roads which were built for them by the Ba'thist regime along the border. The defendant said: During the revolution, many Iranian tanks were stolen by the counter-revolutionaries from the Mahabad base and were handed to the Ba'thist government of Iraq in exchange for weapons on which a "jim," the emblem of the army of the Iraqi government, could be seen.

He confessed: All the forces in opposition to the Islamic Republic of Iran in Kurdistan are supported by the Ba'thist government of Iraq and all the counterrevolutionary minigroups, wittingly or unwittingly, are on the same line with the Iraqi regime and U.S. imperialism.

At the end of his defense, the defendant said: Those of us who have been floating in the cesspool of Marxism for several years are not competent to offer an analysis for or send a message to the Muslim nation of Iran. The only thing we can do is relate all the sinister facts of our lives for those who have not been poisoned and polluted by Marxism so that they may, once again, through hearing about these events, find the correct way and their role in the Islamic Republic.

The trial, presided over by Ayatollah Mohammadi-Gilani, of 30 perpetrators of the crimes last year in Amol, who were affiliated with the heretical organization of the Communist Union of Iran, continued in the presence of the families of the martyrs of Amol and a number of the prisoners of Evin Prison in branch one of the revolution court of the capital. First, the revolution prosecutor read the bill of indictment of Mahmud Azadi, aliases Marya, Mostafa and Nejat, and asked for the most severe punishment considering the charges. The prosecutor announced the charges against Mahmud Azadi as follows:

1. Relations with the belligerent and heretical organization of the Communist Union of Iran since the period 21 March 1979-20 March 1980.
2. Participation in the skirmishes of 9 November and being armed with a J-3 on the day the "Sarbedaran-e Jangal" had set to attack Amol.
3. Direct participation in the armed, bloody skirmishes on 13 November in the forest, in which dozens of Guards Corps and military brothers were martyred and the bodies of more than 10 of them fell into the hands of these criminals. The above-mentioned defendant was armed with a J-3 and a (three-way).

4. Direct participation in the armed attack on the village of "Zarkeh" in the forest, in which he was armed with a J-e and a (three-way). He was also in the "Kak Mohammad" group. The main objectives of this skirmish were to expand the "safe" territory of the Jangal group, close in on and ultimately strike out against the Guards Corps and other military and law enforcement forces.

5. Direct participation in the cowardly attack on the city of Amol on 26 January 1982, in which bloody skirmish more than 40 of the Hezbollah nation met the face of God and nearly the same number were injured and disabled. It must be mentioned that the defendant was armed with a J-3 in the skirmish.

6. Returning after more than a month to the forest and participating in the armed skirmishes in the forest, including the armed skirmish in the area known as Mangal, in which the accused was armed with a J-3 and a (three-way). In these skirmishes, three of the Guards Corps brothers were martyred. The defendant, who is supposedly a "militant" member of the belligerent organization of the "Sarbedaran-e Jangal," was involved in organizational activities in the south of the country for nearly two years. As soon as the positions of the organization concerning armed insurrection against the regime of the Islamic Republic were declared, he came to Tehran along with two other persons from Ahvaz, went to the Amol forests following organizational instructions and for nearly nine months in the forest, he had a significant role in the skirmishes and military operations. He left the forest with about 10 other members of the Jangal group and participated in the packaging and concealment of weapons and ammunition and maintained his contact with the organization until his arrest on 11 August 1982.

Defense of Mahmud Azadi

After the bill of indictment was read, Mahmud Azadi began his defense denying the charges. However, others accused as witnesses provided the court with explanations and verified the crimes of the above-mentioned. One of the defendants said that Mahmud Azadi was in charge of one group but he claims that before the operations, one of the members of the group had escaped and the rest were forced to return without having to shoot more than a few shots. The defendant, addressing Mahmud Azadi, said: He is lying, because they used up all of their bullets to shoot at the Guards Corps brothers on the road next to the mine and the reason for this return was that his and his companions' ammunition was finished. They each had at least 100 bullets and they returned with only 3 or 4 bullets. Another defendant also said as a witness that when he returned to the forest, he told others that they shot at all the cars going along the road and that when a Guards Corps member was shot, he began

to jump up and down like a wounded pheasant. He added: This defendant who claims that they only heard the sound of the Guards Corps vehicle and shot towards the sound is lying, because that road is the mine road on which trucks always pass through. It is not an abandoned road with only occasional traffic so that they would have to shoot towards a sound. Based on this report, another defendant spoke about another of the charges against Mahmud Azadi: The above-mentioned, along with a number of others, stole some food, including sugar cubes, sugar and rice, from the Reconstruction Crusade warehouse as well as some chickens from the chicken coup near the Crusade warehouse. Then, Mahmud Azadi, confronted with the charges of the other defendants, admitted to some of the charges and said: Because we were short of food, we decided to blockade the road and confiscate any vehicles carrying rice. However, no vehicle carrying rice passed on the road. Continuing his defense, the accused said: We have decided to identify the Hezbollah members of the neighboring villages and, to quote the "Union," purge them to set the people's minds at ease in regards to being reported by anyone. The people who would be waiting for the "Sarbedaran" uprising could help the members of the "Sarbedaran" without being worried and could themselves occupy the Guards Corps and mobilization centers. The leaders of the group told us: The people want to help us, but they do not have the means. If we go to the city, the people themselves will do everything and would put wreaths of flowers around our necks. Ayatollah Gilani told the defendant: All your friends say that you are lying. No one can accept that you are telling the truth. Certainly, when a person is armed, he begins to shoot when he finds his life in danger. This proves that you fired shots and that you are lying at this moment. We can have you whipped right here before the court for having perjured yourself under oath to God and the Koran and for the lies that you have told in the court. You must not take advantage of the kindness of the court.

The Bill of Indictment against 'Abdolreza Ebrahimi

Then, Seyyed Asadollah Lajevardi, the revolution prosecutor of the capital, read the bill of indictment of 'Abdolreza Ebrahimi, aliases Akbar and 'Abdi, defendant no 20, and asked for the most severe sentence for him. The charges were announced as follows:

1. Active membership in the belligerent and heretical organization of the Communist Union of Iran and being in charge of the propaganda headquarters of the organization in the television college.
2. Being organizational director of the computer school and actively participating in the meetings of the "board of directors" affiliated with the headquarters.

3. Being special photographer for the heretical organization of the Communist Union of Iran. In this connection, along with two other members and his wife, under cover as a photographer, he would prepare the photographic galley proofs for the Haqiqat publications.
 4. Passing military training in Mahabad through the organization.
 5. Providing his residence as a warehouse for such things as publications, films, tapes, slides and a printing press, all of which belonged to the organization.
 6. Being sent to Kurdistan during the Sanandaj battle along with a medical team to treat the injured members of the organization--he was also in charge of the team--and also of sending stolen medicine from Tehran hospitals to Kurdistan.
 7. Concealing and keeping ammunition, tear gas, (yuzi) weapons and combat grenades and handing them over to one of the members of the Communist Union organization.
 8. Providing his residential house for organizational meetings and gatherings.
 9. Providing the organization with cash contributions.
- The defendant was one of the very active members of the belligerent and pro-United States organization of the Communist Union of Iran. He was so loyal to the organization that he would accept and carry out any sort of instruction without question. The above-named had gone to the United States to study since the period 21 March 1975-20 March 1976 and started his heretical activities with the American confederation of "Ehya'." After a while, he became a member of this atheistic organization. On his return to Iran, he took over various organizational responsibilities. The wife of the defendant was also a member of the organization and has served it jointly with her husband. At the moment of his arrest, the defendant had kept up his organizational contacts and was arrested in the very "infamous photography shop" which belonged to the organization.

Admitting to the Charges and Expressing Shame

At this time, 'Abdolreza Ebrahimi admitted to the charges contained in the bill of indictment, expressed his shame to the families of the martyrs and described his activities in connection with the organization in the cinema and television college. He continued: Following the instructions of the organization, we went south at the beginning of the war to participate in the war at the front. During the one month that we were on the front, we went to Khorramshahr three times. On one of these trips, we stole an automobile which carried a large amount of arms and ammunition. Despite the fact that there was a great need for the arms in Khorramshahr, the authorities of the Union took the arms away under the pretext of taking them to Abadan. Later, we realized that the weapons used in Amol were the arms which had

been stolen from the fronts in the south. Also, concerning the medicine which was taken to Sanandaj to treat the injured members of the "union," he explained that the medicine was stolen from Tehran hospitals by the wife of one of the defendants who is a nurse and who was later arrested. In his defense, he also confessed that:

The organization also put some (yuzi) weapons, tear gas and combat grenades at his disposal, which he has hidden in an attic. According to this report, the court recessed at 1730 hours and the trial was scheduled to resume the next day.

10,000

CSO: 4640/81

'DEFECTORS' DESCRIBE FLIGHT FROM IRAN VIA TURKEY

Lahore VIEWPOINT in English 6 Jan 83 pp 21-23

[Article by Ralph Joseph]

[Text]

A WAVE of defections and daring escapes from Iran over the past few months marks a growing sense of desperation and fading hope that life in that country can improve in the near future or that the now commonplace street killings and executions will end.

A good number of the defectors, including Iranian diplomats, airline crew members, sportsmen and media personnel, have announced their affiliation to the National Council of Resistance headed by former President Abol Hassan Bani-Sadr and Mujahed in Khalq chief Massoud Rajavi.

Tip of the iceberg

But the publicly announced defections are just the tip of the iceberg. Literally hundreds have been fleeing Iran over difficult mountain tracks via Turkey and elsewhere, and have quietly sought political asylum in other countries, particularly in West. Others, fearing that to seek political asylum would endanger their families still in Iran have preferred to simply seek residence in other countries, as unofficial refugees.

One recent defector told this correspondent that on an average, about 50 people were crossing into Turkey from Iran every day. Opposition sources in Paris said that two former ministers from the cabinet of Mehdi Bazargan (provisional prime minister in 1979 after the Shah's fall) had also recently used that route to escape. They identified them as

former Labour Minister Dariush Foruhar and former Interior Minister Hashem Sabbaghian.

A more prominent member of the Bazargan cabinet, former Foreign Minister Ibrahim Yazdi, is said to have used the eastern route to fly to Paris, where he stayed three or four days, and then went on to the United States, where he had earlier lived for several years.

I spoke to several defectors. Those who were willing to talk about their escape asked that their names should not be disclosed. Some of them then described how it was done.

Initial contacts

After initial contacts in Teheran or another town in the interior, the person wishing to leave makes his way to a small town or village near the border between Iran and Turkey or other countries. He stops off at a small hotel or private house and waits for the guide to make contact. Code words are used.

When the guide makes contact, the terms may again be discussed and the would-be defector is told of the dangers involved and that he would have to walk perhaps six to eight miles over difficult terrain. "When we left", one defector said, "it was so dark I could not see where we were going. But the guides know the way".

The guides, who may be petty smugglers of Turkish or Kurdish origin living in the border areas, will charge different fees from different people,

depending on their means.

"The price ranges from 30,000 to 80,000 toman (\$1,000 to \$2,600 at the unofficial exchange rate)," one informant said, "but the price keeps going up".

However, another said the guides have been known to charge up to 300,000 toman (\$10,000) for a single family, "but sometimes they may take a person across free if they see he can't afford to pay, and know that his life would be in danger if he turned back".

An Iranair pilot, Mahmoud Namidar, who fled across the border with his wife and two children, told reporters in Vienna later that he had paid \$4,500 to the guide, and had spent five days on the way, going partly on horseback and partly on foot.

One woman, a former official in the government, took help from a member of the Tudeh (Communist) Party who happened to hold an influential position in the government. He pulled strings and got her out on a legal passport. Ordinarily it is difficult today for an Iranian to get a passport to leave.

But another defector told me that the small-time smugglers also arrange to buy one an Iranian passport (probably forged) after one has got across, in case he or she does not already have one.

"They also arrange to get you the Turkish 'entry' stamp on your passport, and often enough the passports are stamped before the crossing is made".

'Entry' stamps

The informant suspected that the smugglers themselves were equipped with these stamps or were acquainted with others who had them. "They will ask you for your passport before you leave, and then return it in a day or two saying they have obtained the 'entry' stamp from the checkpoint on the Turkish side of the border. Actually they probably stamp it themselves, but of course border officials may do it for a small sum".

Those who get across to Turkey without getting the proper stamps on their passports, or who have no passports at all, may have to spend a few days in a Turkish jail, or are directed to a special refugee camp in Istanbul, where they must stay until their papers are set in order.

"But the Turkish government does not allow them to stay in the country. They are made to leave as quickly as possible for another country". Some of the defectors may receive travel documents and assistance from an office of the United Nations, the International Red Cross or a similar agency such as the International Catholic Migration Commission in Istanbul, which may also arrange for political asylum in a third country.

Officially, Turkey has friendly relations with Iran, and though the government in Ankara turns a blind eye to most of these escapes through its territory, it will occasionally arrest some of those who have come across and hand them back to Iran. "Four Mujahedin Khalq members were recently arrested and sent back", one source said. "They were immediately executed".

On December 5, the official Turkish Radio reported the arrest of seven members of the Fedayan Khalq guerilla organisation "on charges of forging passports and taking people out of Iran illegally". They were to be tried in a military court in Istanbul.

The possibility of arrest by the Turkish police is only one of the dangers involved. On the Iranian side, there is always the danger of being spotted and arrested by revolutionary guards or gendarmes (paramilitary rural police) in the territory they control.

Beyond that the would-be defectors are literally in a lawless zone and at the mercy of the men taking them across. These men are themselves usually on the criminal fringe. Some people are known to have been robbed at gunpoint along the way, "and it's always possible the bandits are in cahoots with the smugglers who are taking you across". Defectors carrying large sums of money or valuables become the most likely targets.

DEVELOPMENTS REPORTED IN VARIOUS ECONOMIC SECTORS

Employment Tests Irrelevant

Tehran KAYHAN INTERNATIONAL in English 4 Dec 82 p 2

[Text] TEHRAN, Jan 3 (IRNA)--In a meeting with the visiting Minister of Ershad-e Eslami (Islamic guidance) Hojjatoleslam Mohammad Khatami and Shah-Cheraghi, chief of the Persian daily Kayhan, here today, Imam Khomeini proscribed the use of many tests of religious knowledge which are alleged to test religious insight and knowledge of job applicants or employees in government organizations.

The Imam said that many of the questions included in samples of the tests are absolutely irrelevant while many others are vividly against religious precepts and that as such they cannot be relied upon as a criterion for measuring the insight or qualification of the applicants. He noted that the cases of those applicants who have been denied employment principally on the basis of the results of these tests should be reviewed.

Asked about his view of the reflection of the views of members of the ulema in the printed media, the Imam said that the printed media may reflect the views of those members of the ulema who are not errant and who do not advocate any idea against the established doctrines of Islam.

Power Plants to be Built

Tehran KAYHAN INTERNATIONAL in English 4 Jan 82 p 2

[Text]

ISFAHAN, Jan. 3 (IRNA) — Energy Minister Hassan Ghafuri Fard Saturday said his ministry will construct electric power plants with a total capacity of 10,000 megawatts in the country in the next ten years.

Speaking prior to his departure from here, Ghafuri Fard said in the first five-year plan, plants with a capacity of 1,000 megawatts of power will be built in Shiraz, southern Iran, western Iran, Northern Gilan province, and northwestern province of Azarbaijan, while a 600 megawatt

plant in Shirvan, Khorassan.

He said in the five-year plan some 80 substations of 400 and 230 kilowatts will be built by the Iranian technicians, thus saving some one billion dollars in foreign exchange for the Islamic Republic of Iran. The money which otherwise would have gone to foreign workers.

The minister also said that some 200 substations of 63 kilowatts will be built in Iran with a cost of half the price which was formerly given to foreign workers.

Sugar Factory Begins Production

Tehran KAYHAN INTERNATIONAL in English 8 Dec 82 p 2

[Text]

TABRIZ, Dec. 7 (IRNA) — The construction work of Moghan sugar factory situated in East Azarbaijan has been completed and production has begun. The plant has a present annual product of 5 thousand tons.

The completed construction work on the complex was undertaken by committed Iranian specialists and workers with the cooperation of Poland.

The deputy governor general of East Azarbaijan said that more than 80 percent of the construction work pertaining to this factory was done by Iranian specialists. He made the statement in an interview with IRNA's correspondent here today.

It should be mentioned that construction work on this factory commenced in March of '78.

Meanwhile, the deputy governor general commenting on the serum factory of Tabriz said that the factory will commence production soon. The factory has been under construction for the past 18 months. It will supply 50 percent of the country's serum needs.

The deputy governor general concluded that until now 80 percent of the construction work of the serum factory had been completed and the necessary equipment and machinery had been bought by the drug industry of the country which will be installed shortly.

Cement Production Up

Tehran KAYHAN INTERNATIONAL in English 9 Jan 83 p 2

[Text]

MASHHAD Jan. 8 (IRNA) — Mashhad cement factory's production is up by 12 percent compared to pre-revolution period said the director of the factory, Engineer Marvi.

The production level now stands at 1,850 tons per day, he said, while attempts are being made to increase this level to 2,000 tons with the expansion of the plant, bearing in mind that the raw materials reserves for this factory are expected to last 150 years.

According to Marvai the factory is producing some 500 sq.m concrete ceiling a day.

Two of the rolling furnaces of the factory use natural gas while the major furnace operated by coal though the engineers and technicians are working to change the fuel to natural gas, added Marvi.

Fisheries to Expand Activities

Tehran KAYHAN INTERNATIONAL in English 9 Jan 83 p 2

[Text]

TEHRAN Jan. 8 (IRNA) — Mir Mohammad Sadeqi Deputy Agriculture Minister in charge of

fisheries said in an interview with IRNA that the southern fisheries organization is trying to set up a

sub-office to expand pearl fishing activities in the Persian Gulf and said that the many activities of the fisheries organization will spread to the center of the fishing activities and its office in Tehran will only act as a coordinator.

Speaking about this year's fishing activities Sadeqi said that every year about 40,000 tons of fish are distributed in the country in addition to 12,000 tons of imported fish. He said that this figure was insignificant compared to the annual distribution of 200,000 tons of chicken and 400,000 tons of red meat.

Nevertheless he said that in the first eight months of this year (beginning March 22 1982) some 15,810 tons of fish had been caught and purchased in the southern waters up 102 percent compared to the same period last year. Also 10,889 tons of fish were processed during this period showing an increase of 116 percent. Industrial fishing was up slightly at 799 tons during the first eight months of this year from 770 tons in the corresponding period last year. The production of scaly fish also increased 20 percent

during this period to 890 tons while trawlers on contract with the government caught more than double the amount in the first nine months of this year compared to last year i.e. 4122 tons

The deputy minister added that Iran imported 12,000 tons of fish from Argentina but he added that next year the Democratic People's Republic of Korea will provide Iran with its needed fish.

Also the head of the technical department of the southern fisheries organization Abdolhamid Kavusian said that 1.3 billion rials (about 190 million dollars) 50 percent of its total development budget will be spent on various projects.

He added there should be only a limited amount of fishing in the Caspian Sea because of its closed environment while on the other hand fishing should be encouraged in the southern waters.

On the production of caviar he said that one of the fish ponds in the Caspian Sea area yielded about two million young sturgeon every year enough to maintain caviar production at a reasonable level. He also invited the private sector to invest on fish ponds in the Caspian Sea area.

Billions Allocated to Agriculture

Tehran KAYHAN INTERNATIONAL in English 9 Jan 83 p 2

[Text]

TEHRAN, Jan. 8 (IRNA) — "A sum of 3.8 billion dollars in foreign exchange has been allocated for the purchase of raw materials for improving agriculture and expansion of industries of the country," said Minister of Commerce, Habibollah Asgar Owladi in a press conference Thursday.

Asgar Owladi said that by eliminating some obstacles and with efforts and cooperation of the government, the Central Bank and state customs, the exports of the country have showed a remarkable growth. He said that export of carpets during the month of September increased 60 percent compared with the same period last year.

Referring to the import of goods the commerce minister said

that the government's policy stresses support for domestic production therefore, he said, non-industrial imports were at minimal.

He said that there were some minor problems on shipping some goods such as fertilizer, wheat, barley and sugar, adding that at present cargo ships were unloading in Bandar Abbas, (Southern Iran) 800,000 tons of steel products and raw materials.

The commerce minister also said about two million tons of goods were purchased from various countries.

Concerning the distribution of goods in the country Asgar Owladi said that the Commerce Ministry has submitted proposals to the government in this respect.

He added that the ministry had

been 90 percent successful in distribution of steel. He denied recent accusations against a number of Commerce Ministry officials concerning the distribution of certain goods and requested that the investigation committee of the Imam's 8-point decree look into these accusations.

He added that at present the government supervises the distribution of iron and during the current (Iranian) year it has paid about 1.3 billion dollars for the import of four million tons of iron.

He concluded that most of Iran's transactions were with Non-Aligned, Third World and friendly countries.

CSO: 4600/220

ARTICLE LAMENTS LOSS OF TRADITION FOR MODERNIZATION

Colombo THE ISLAND in English 7 Jan 83 p 6

[Article by L. Aelian Fernando]

[Text] Every nation is proud of its past and therefore of traditions as well. To a nation with over two thousand five hundred years of recorded history, traditions and values nurtured and transmitted by each generation to the next are not merely important but almost sacrosanct. In spite of 450 years or so of foreign domination, as a nation we have been able to preserve most of our values, particularly those that have a Theravada Buddhist base. We are often envied by nature--but more for our commitment to preserve our ancient traditions, cultural heritage, rituals and ceremonies. We owe to our forefathers almost the entirety of what makes us what we are. Even if we were part of India thousands of centuries ago, still we have traditions and a culture uniquely our own and so we owe to posterity a guarantee that we will not destroy what our ancestors passed on to use with pride.

To belong to the international community we must. As a western writer said long years back, we are in one boat. If we do not learn to live together in peace and harmony we will destroy not only others but ourselves too. There is no longer a way for an isolationist policy for any nation. Interdependent we are and interdependent we will be now and always. Each nation therefore faces a challenge in the very concept of having to be interdependent. How do we maintain our uniqueness, preserve our cultural traditions, our value system while being dependent on nations who differ so much from--almost diametrically opposed to some of the values we cherish most? How can we preserve our nationhood while being a member of the international family of nations? This seems easy in theory but in the last few years many nations--not just ourselves--have shown grave concern because there is undoubtedly a threat the Third World countries have to reckon with. Smaller the nation, greater the threat. In the present context it is so easy for a nation to get 'consumed by the West'--not be a process of domination but by a slow erosion of its values, traditions and culture. It is so slow that if a nation is not vigilant all the time the erosion may not be apprehended.

Every developing nation depends heavily on the developed nations that the real threat is in a way, a creation of the Third World. This is what is tragic and why the process of erosion is so slow. We need to modernise to keep pace with

the trend of the time. Science and technology have pervaded and are pervading the Third World to an unimaginable extent. Every nation has to reckon with the realities of the twentieth century. We are not only interdependent but to an unbelievable extent often dependent solely on our neighbours for our economic survival. Some nations even for their physical survival! To us in Sri Lanka, the threat is very severe, particularly in the last three or four years. We have taken basic decisions, to improve our economy. Superficially they do not appear to be such a threat, but the more one ponders the more one becomes aware of the need to be vigilant, for no economic decision can be isolated from traditional value systems, and culture. Just as much as one can never throw a stone on water without creating ripples not economic decision can ever be divorced from the ocean of culture, tradition and all that which makes a nation. Ripples there are--often it's ripples first, then waves and then probably tornados! It's too late if a nation does not take note of the ripple. That's how all tornados begin.

It is also pertinent to note that whether a nation likes it or not, communication and transport techniques have developed so fast that no nation could live anymore in splendid isolation. It is a geographical impossibility now. What happens in one country is known by the rest of the world simultaneously. It has its comic side too. Often the nation's official broadcasting systems blocks out vital information at times of a political crisis. But the highly sophisticated and efficient international communication network picks up the news and relays it round the world. Almost every nation, developed or developing, is paying a high price because there can be very little secrecy at times of national upheavals or turmoil. Not even the most carefully-guarded national communication system is able to operate any more in isolation. Privacy at a national level is no longer a reality. Decisions made in closed door conferences are often known to the international community even before the doors are open for the exit of the participants. More strategically located a country is more vulnerable it is. So is Lanka.

Why this concern? Why this bother? Are we not what we were a decade ago? Are we losing our cultural identity by any chance? May be, to some it does not matter but there are persons, growing in number almost daily, most concerned. Some of them are on the verge of losing even their sanity for they are getting ever so anxious about the speed with which erosion is taking place.

Who were the custodians of our traditions? Who saved our nation from losing her identity? Who preserved our traditions, our value system, our culture, our self-respect, our national heritage? Not the business entrepreneurs, not the men and women who were involved in commerce and trade. It is the majority of our nation who live outside the city walls. It is to them that the nation owes its gratitude. It is to them the nation is indebted. It is they who know what it really means to be a 'little Singapore!'

That steps must be taken to speed up economic development no one disagrees with. But, at what price, is a question that we must necessarily ask if we are to be vigilant.

Sensitive Western Scholars of culture and civilisation are equally aghast for they see more objectively what is taking place unobtrusively to many of us, particularly in the cities. Is a new value system emerging and are all of us going to be like the midwives ensuring an easy birth? Are we so tranquilised by the Western drugs--like TV and videos--that we too are becoming insensitive to what is happening in and around us?

CSO: 4600/219

STEPS TAKEN TOWARDS SELF-SUFFICIENCY IN AGRICULTURE

Colombo THE ISLAND in English 7 Jan 83 p 5

[Article by M. D. N. Austin]

[Text]

A comprehensive trial now conducted by the Department of Agriculture in several parts of the island including the misty hill country areas and the sun-scorched, semi-arid Jaffna peninsula, if successful, will have a tremendous impact on the government's renewed efforts to achieve self-sufficiency in food production. The trials are a part of a programme to cultivate wheat in several districts and the feasibility is being studied by agro-scientists and research workers through a network of about 9,415 demonstration plots in Jaffna, Mullaitivu, Vavuniya, Trincomalee, Batticaloa, Badulla, Amparai, Moneragala, Hambantota, Puttalam, Mannar and several other major districts including Colombo, Galle and Matara.

The programme's importance and significance lies on the fact that depending on its success and acceptance by the local farmer, it would enable the country to save valuable foreign exchange drained to wheat growing countries since the introduction of wheat flour and especially the most popular subsidiary food items, bread baked from wheat flour, to Sri Lanka during the time of Portuguese domination. According to official estimates, the amount of approximate annual foreign exchange involved in imports of wheat in the form of grain or flour is 1,600 million rupees. Apart from foreign exchange, wheat imports have shown other serious implications.

Wheat has been used as a strategic weapon to aggravate developing countries' state of dependence thus seriously jeopardizing their development efforts.

Possible Production

The programme initiated by Dr. Walter Fernando, Director of Agriculture, envisages a possible production of 500,000 to 600,000 tons of wheat or at least a major portion within a period of three years. The annual requirement is estimated to be around 600,000 metric tons. In this context it is interesting to discuss how this objective could be accomplished with success within such a short period of time. We have to admit the fact that the success of the programme depends much on results obtained from demonstration and test plots. In addition to 9,415 demonstration plots the Department of Agriculture has organized 120 test plots in sixteen districts and work in the plots is being conducted through competent contact farmers. The extent of the demonstration plots scattered throughout the main districts are confined to 1/200th of an acre or 200 square feet and the majority of these plots are found in Jaffna, Mullaitivu, Vavuniya, Trincomalee, Batticaloa and Badulla Districts. Each District has 507 demonstration plots and the other Districts including Polonnaruwa, Mahaveli area and Nuwara Eliya has 257 plots each while the extent

of plots in Colombo, Gampaha, Kalutara, Galle and Matara Districts are confined to 40 square feet.

The purpose of maintaining such a large number of demonstration plots is to convince the farmer that like many other traditional cash crops, wheat too can become a viable cash crop which requires no cost-intensive inputs. What is expected of the farmer is his complete grasp and understanding of the methods of cultivation, etc.

Explaining the methods of cultivation and elaborating the bright prospects for wheat cultivation in Sri Lanka, an eminent agro-scientist told me that wheat can become a successful crop and can be grown in many parts of the island where climatic and soil conditions are favourable. Two decades ago, even the scientists thought that potatoes can never be grown in Sri Lankan soil. Business interests who monopolized the potato trade ridiculed the idea. However, potato cultivation showed a steady progress and today the country has achieved self-sufficiency in producing its own consumer potatoes. Agro-scientists assure us that wheat is not a difficult crop as potatoes which require expensive inputs.

Observational plots

Mainly three varieties of wheat, Sonalika, Trigo and Triticola have been cultivated in observational plots and during the Maha season in 81/82, the varieties, Sonalika and Trigo underwent cultivation feasibility tests in 3,100 observational test plots.

The results obtained from these observational plots during the Maha season are encouraging. In the Jaffna District alone 2,595 kilograms have been obtained per hectare while in the up-country wet zone, the harvest reaped per hectare was 1,945 kg. Harvest per hectare in up-country and low-country intermediate zones was 1,975 and 1,705 kgs respectively. According to official statistics, the average yield for the nine Districts is 1,917 kg. per hectare or 28 bushels per acre. It is interesting to note that the highest yield of 2,595 kg per hectare or 38 bushels per acre was obtained from observational plots in the Jaffna District.

However, farmer acceptance is necessary to promote and extend wheat cultivation in Sri Lanka. As mentioned before, wheat cultivation requires less inputs which are not cost intensive. The other remarkable advantage for its cultivation in the dry zone is low water requirement. The method of cultivation too is simple. After the tilling of land, a basal mixture of 24 lbs. of urea, 60 lbs. of concentrated superphosphate and 44 lbs. of potash is applied per acre. The seed is sown in rows spaced eight inches apart. The required seed rate is 100 lbs. per acre. Another advantage is the

absence of serious insect pests and fungus diseases. The threat from white fly can be eliminated by spraying pesticides recommended for rice.

In a recent visit to Jaffna we noticed that farmer acceptance of the new crop in the peninsula is rather encouraging and hopeful. Besides, the observational plots established by contact farmers, private farms too have their own wheat plots. When we inquired about the problems with the new crop, a farmer said, "it is easy to cultivate wheat than onions. But, remember, onion is a money-spinner." Let it be any crop, farmer in the Jaffna peninsula always give priority to its economy. His motives are governed by economic considerations and he is even prepared to grow weeds if he can get ready cash for his crop. The ever grumbling farmer always grumbles about water besides other things. In Jaffna water is gold, they say. However, they pretend they are ignorant of the fact that unlike many other areas in the dry zone, Jaffna peninsula has underground reserves of water in abundance. We have seen how windmills help them to draw water from shallow wells — and water flows free — absolutely free of fuel costs.

To conclude, wheat cultivation in Jaffna and generally in the dry zone has bright prospects. With more dedication and sincere efforts, the farmer in the dry zone can play a vital role to give necessary impetus to the governments self-sufficiency drive.

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